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NATION'S BUSINESS

February



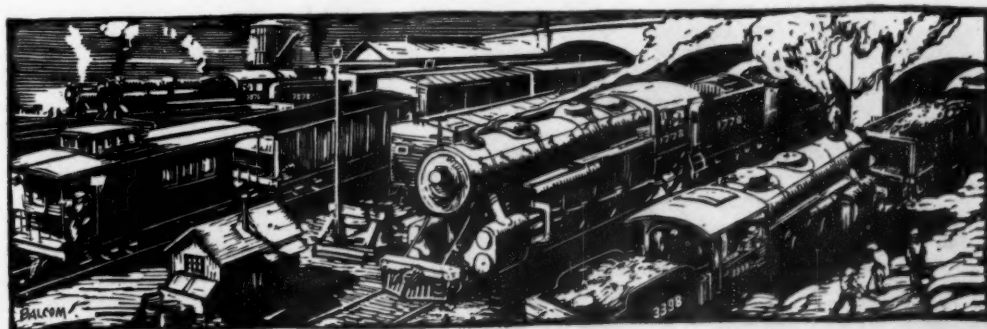
1927

*The Cancer of Too Much
Government by Senator
William E. Borah* ~ ~ ~ ~

*The World's Biggest
Business Job by F.S. Tisdale*

*Is the Business Man a Boob
in Politics? by Frank R. Kent*

Map of Nation's Business, Page 44



Published at Washington by the Chamber of Commerce of the United States

A QUARTER OF A MILLION CIRCULATION



Reproduction from a painting made on the Piping Rock Club, Locust Valley, Long Island, New York, by Frank Swift Chase

© The D. T. E. Co., Inc., 1925

Among prominent persons and institutions served by the Davey Tree Surgeons are the following:

OWEN D. YOUNG
WALTER P. CHRYSLER
CONDÉ NAST PUBLICATIONS, INC.

PRINCESS AMELIA RIVES
TROUBETZKOY
HON. NICHOLAS LONGWORTH
MICHIGAN STATE CAPITOL
SADDLE AND CYCLE CLUB OF CHICAGO

JOHN S. PILLSBURY
MRS. HENRY R. REA
CHAUTAUQUA INSTITUTE



JOHN DAVEY
Father of Tree Surgery
Reg. U. S. Pat. Off.

Your trees may be starving under semi-artificial lawn conditions

Davey Tree Surgeons come to you with scientific training, thorough practical skill and organized reliability—real workers

Starving trees? Yes, countless numbers of shade trees are actually starving to death under semi-artificial lawn conditions. The roots are covered by heavy sod and all the leaves and grass raked up and taken away. Thus nature has no means of replenishing the exhaustible food elements that are being constantly pumped out of the soil by growing trees. The inevitable consequence is steadily increasing starvation and steadily decreasing vitality.

Out in the native woods, nature takes care of the food problem for trees by means of the decaying leaves and grass and other vegetation—even the great trunks of trees fall down and decay and return to earth the same elements that came from the earth. Most trees under natural conditions show excellent vitality—most trees under lawn conditions show varying evidence of starvation.

Do any of your trees look sick? Are they dying back at the top? Are there numerous small dead branches? Are the

leaves yellowish and sickly looking? Is the foliage sparse? Such a tree is far gone and in desperate need of quick action. Don't wait until they look that bad.

If a tree is starving, it will show it by shorter annual twig growth. Last year's growth is less than the year before. The growth of the year before is less than that of the preceding year, and so on. A tree either grows or it dies. When it ceases to grow, the end has come.

Many starving trees have been brought back to vigorous health and active growth by proven Davey methods of feeding. Davey Tree Food is scientifically right, as are the methods of feeding. These methods are the outgrowth of John Davey's half-century of marvelous experience and the highly successful record of the Davey organization for more than 25 years.

Davey Tree Surgeons live and work in your vicinity—real Davey trained men and Davey disciplined men. Don't wait until your trees are too far gone. Call or write the nearest office.

THE DAVEY TREE EXPERT CO., Inc., 691 City Bank Bldg., Kent, Ohio

Branch offices with telephone connections: New York, 501 Fifth Ave., Telephone: Murray Hill 1629; Albany, City Savings Bank Bldg.; Boston, Massachusetts Trust Bldg.; Pittsfield, Mass., Stevenson Bldg.; Providence, R. I., 36 Exchange Pl.; Philadelphia, Land Title Bldg.; Baltimore, American Bldg.; Washington, Investment Bldg.; Pittsburgh, 331 Fourth Ave.; Buffalo, 110 Franklin St.; Cleveland, Hippodrome Bldg.; Detroit, General Motors Bldg.; Cincinnati, Mercantile Library Bldg.; Louisville, Todd Bldg.; Indianapolis, Fletcher Savings & Trust Bldg.; Chicago, Westminster Bldg.; St. Louis, Arcade Bldg.; Kansas City, Scarritt Bldg.; Minneapolis, Andrus Bldg.; Montreal, Insurance Exchange Bldg.; Toronto, 71 King St., West; Stamford, Conn., Gurley Bldg.; Hartford, Conn., 36 Pearl St.

DAVEY TREE SURGEONS

Every real Davey Tree Surgeon is in the employ of The Davey Tree Expert Co., Inc., and the public is cautioned against those falsely representing themselves. An agreement made with the Davey Company and not with an individual is certain evidence of genuineness. Protect yourself from impostors. If anyone solicits the care of your trees who is not directly in our employ and claims to be a Davey man, write headquarters for his record. Save yourself from loss and your trees from harm.

When writing to THE DAVEY TREE EXPERT CO., INC., please mention Nation's Business



THE PRESIDENT of the United States has said "It does not follow that, because something ought to be done, the National Government ought to do it."

WE HAVE been encouraged to apply to Washington for all sorts of advice and counsel. All the way from how to white-wash the hen-house to how and when to give the baby castor oil.

Comes now a new service.

The housewife need no longer worry over curtains. Uncle Sam has thought of all this and has solved all such perplexities for her. A vigilant reader sends us an announcement of the Bureau of Home Economics—"What kind of curtains shall I choose for my windows?" asked the announcement, going on to advise that "the United States Department of Agriculture has gone a long way toward answering this oft-repeated query of the home-maker in a new bulletin entitled 'Principles of Window Curtaining.'"

"Selecting window curtains," says the Government, "is always something of an artistic venture. Lines, proportion, balance, color—all the points of design that enter into any 'work of art' are involved in window curtains. The bulletin explains these art principles and applies them in such a way that the home-maker need no longer rely on inspiration alone to obtain attractive curtains."

Rely on inspiration, alone? Indeed not! Let Washington do it! That's the refrain of our new National Anthem.

Nor has Washington gone into this thing of window curtaining in any half-hearted manner. The profundity of its research into the lore of curtaining is revealed further in the announcement that, "decoration is not the only purpose of window curtains, however. They are needed for privacy; to shut out glare, and to diffuse the light as it streams through the windows."

Curtain culture in the United States Government! How the world do move and the way of Government passeth all understanding.

NERO wailed as he gazed in despair on the ruins of his once beautiful city. He had ignored the hand-writing on the wall.

Remorse awaits the business man today who fails to read the signs of the times, for, swiftly comes change—inevitable change.

The old base-burner went down before the furnace. Stove manufacturers learned to make radiators. Automobile bodies today come out of many a former carriage factory. Leather workers switched to traveling bags from harness when the mad race of Change became too swift for old Dobbin.

The tinkling music-box lost its popular-

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American Exchange Irving Trust Company

NEW YORK

Statement of Condition, December 31, 1926

RESOURCES

Cash on Hand and Due from Banks	\$146,626,608.15
Exchanges for Clearing House	98,821,518.59
Call Loans, Commercial Paper and Loans eligible for Re-discount with Federal Reserve Bank	141,461,958.27
United States Obligations	37,399,366.81
Short Term Securities	46,057,921.18
Loans due on demand and within 30 days	96,153,554.65
Loans due 30 to 90 days	62,020,438.87
Loans due 90 to 180 days	39,366,825.66
Loans due after 180 days	5,126,110.89
Customers' Liability for Acceptances (anticipated \$3,560,870.40)	42,268,837.71
Bonds and Other Securities	14,184,468.93
New York City Mortgages	7,556,540.73
Bank Buildings	3,509,566.19
	<u>\$740,553,716.63</u>

LIABILITIES

Deposits	584,164,121.59
Official Checks	44,722,749.72
Acceptances (including Acceptances to Create Dollar Exchange)	45,829,708.11
Discount Collected but not Earned	1,313,658.04
Reserve for Taxes, Interest, etc.	2,588,095.65
Dividend payable January 3, 1927	1,120,000.00
Capital Stock	32,000,000.00
Surplus and Undivided Profits	28,815,383.52
	<u>\$740,553,716.63</u>

ity, and cabinet-makers practiced their art on phonographs. Then science broadened the field by introducing radio.

The far-seeing blacksmith of 1900 learned to tinker with that "new-fangled horseless carriage," and now an up-to-date garage and service station stands under the spreading chestnut tree—a homely memorial to the vision and adaptability of American business.

Changing conditions create new demands which in turn open fresh markets. Demand and supply and demand and supply and demand—an endless chain!

How big with adventure is 1927? What does the year hold for your business and mine?

For your industry and mine? All in the lap of the gods. But this is certain: To the alert business man the game will be more exciting and success more sure. May NATION'S BUSINESS help every reader to be more alert during 1927.

PROFESSOR FLURY of Eastern High School, Washington, D. C., submitted a definition of socialism in a contest carried on by *Forum Magazine* which won him a prize. His definition was:

Socialism is a big question mark. It asks why, with all the wonderfully productive machinery and improved methods of organization, the workers are still slaves. It asks why those who create do not enjoy the advantages of what is created, why those who build automobiles walk, those who build Pullmans ride in box-cars, those who build palaces live in hovels. It asks: Is not the industrial civilization we have created a Frankenstein that has made itself our master?

General Fries, U. S. A., thereupon called upon the School Board to investigate Flury's patriotism. This caused quite a flurry over Flury and Fries. Labor organizations denounced the Army for attempting to suppress free thought and speech, likewise the Press Club section of the American Legion, teachers' associations and others are all "het up."

Any man who lacks the simple power of observation to such an extent that he sees in the United States "workers still slaves"; men building Pullman cars who, at \$8 and \$10 a day, still ride in box-cars; carpenters and plasterers who, at \$8 and \$12 a day, are living in hovels, such an observer is fit subject for an oculist. And if his astigmatism is too chronic to yield to treatment, then such affliction, sad as it may be, renders him unqualified for teaching, a job which requires ability to see clearly and to express faithfully.

The General, instead of questioning Professor Flury's patriotism, should have asked for the application of the Binet-Simons intelligence test. (Incidentally, even a school teacher ought to know it wasn't Frankenstein who was created but Frankenstein who created the monster from which he could not escape.)

Why all this pother, anyway, about free speech when free speech here is not an issue? Opinion is one thing; facts are another. A biology teacher has the right to go about declaring that two and two are five but if he does it, why should the school-board be compelled to retain him as a teacher on the ground that the Constitu-

GRAHAM BROTHERS TRUCKS

Yearly sales of Graham Brothers Trucks are shown in the table below. It begins with 1921 and goes through 1926.

1086

3401

6971

10743

23884

37022*

*Last ten days' shipments estimated

This steady growth is complete and convincing proof that the public has recognized the superior value in Graham Brothers Trucks.

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Do They Balance?



POSSIBILITIES OF LOSS	PROTECTION AVAILABLE	AMOUNT OF INSURANCE IN FORCE OR COMMENT	SEE RECOMMENDATION NO.
BUILDINGS & CONTENTS			
Fire (Buildings)	Fire	500,000	
Fire (Contents)	Fire	800,000	
Windstorm-Tornado (Buildings)	Windstorm-Tornado	Not insured	1
Windstorm-Tornado (Contents)	Windstorm-Tornado	Not insured	2
Business Interruption	Fire Tornado Use & Occupancy	100,000	3
Loss of Rental Income	Fire Tornado Rents	60,000	
Leasehold Interest	Fire Tornado Leasehold	Not needed	
Loss of Profits and Commissions	Fire Tornado Profits-Commissions	Not insured	4
Leakage of Plumbing and Heating Systems	Water Damage	75,000	
Leakage of Sprinkler System	Sprinkler Leakage		
Boiler Explosion	Steam Boiler		
Flywheel Explosion and Engine B.			
Electrical Machinery Break			
Burglary of St.			

The Aetna Insurance Chart Will Show You

CONDITIONS change, property values increase, improvements and additions are made. Has your insurance kept pace or are there *unseen loopholes for loss?*

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tion guarantees free speech? There would be merit to his claim if the Constitution guaranteed him a job, which it doesn't. If it did, there wouldn't be so many malcontents criticising the American industrial system—provided there were any industrial system.

THE "DIRT FARMER" has long been a familiar figure. Meet the lion farmer. His habitat is Southern California. His market is the movies—ravenous man eaters for the gallant celluloid heroes to rescue pulchritudinous heroines from, and all that sort o' thing. There's a snug thing in lion farming, too, for I'm told that prices for good run-of-mill lions range all the way from \$50,000 for a quarter-ton male sound in wind and limb to \$300 for cubs.

CLUB GAINS MIGHTY RECRUIT

Our Fewer Laws Lodge Welcomes
Majority Floor Leader of House
To Full Enjoyment of All
Rights and Lights
And Benefits

HE SOUNDS A MEAN TOCSIN

OUR FEWER LAWS CLUB announces the acquisition of a new and distinguished member, a no less personage than the Honorable John Q. Tilson, a representative in Congress from the State of Connecticut, and floor leader of the majority in the national House of Representatives.

In keeping with the unwritten constitution of the Order, the fraternity bestows no honorary memberships. To enter the ranks of this goodly fellowship the neophyte must present evidence of distinguished service. Here it is, as reported by the distinguished *Washington Star*!

"In my judgment," said Mr. Tilson, "the tendency now visible in our American governmental life most dangerous to the stability and perpetuity of our institutions is the mania for laws and more laws. When the present Congress expires on March 4 I hope it may be said that the most important work I have done has been in the direction of preventing the passage of bad or unnecessary laws."

"If ever what we call 'liberty' fails, and any form of despotism, either of the many or the few, comes to the people of this country, it will be more on account of the tendency for multiplying laws than any other."

"The tendency toward a multiplicity of statute laws is universal, and no legislative body is free from it. So far as the federal law is concerned, it is largely due to the extension of federal activities into new fields, such as income taxes, estate taxes, and the regulation of business in a number of different ways. Government bureaus are given power to make regulations which are often more voluminous and complex than the law itself, and in general the demand is the cure of all human ills by legislative enactment."

And here's something soothing for jumpy pocket-book nerves:

"The mania for new laws, which is costing the people enormous sums and accomplishing so little good, to a considerable extent grows out of a desire of active minority groups of our people to regulate everything

and everybody. They wish to hasten the millennium."

ADD TILSON: Fewer laws. Gov. Albert C. Ritchie of the "free state" of Maryland, addressing the assembled solons of that interesting portion of the national geography, says:

The rarest of opportunities is before you. You meet in an age when Congress and state legislatures annually overwhelm and perplex and burden the American people with an amazing amount of new legislation.

I think of no higher renown I could wish this session of the Maryland Legislature than to be known as the legislature of few laws.

IN THE *Illinois Central Magazine*, I discover this reproduction of a billboard erected at the roadside near a railroad crossing in Oklahoma.



RECENTLY we quoted from a Department of Commerce bulletin to the effect that:

A salesman who expects to do business in a big way in Latin-American countries, should be provided with a complete outfit of dress-suit—and that includes a frock-coat and silk hat.

Promptly the mails brought us a letter from a valued subscriber in Mexico City who asks us to suggest to Secretary Hoover that he discharge his etiquette clerk, for, our correspondent states:

The frock coat has been out of style for many years. The cut-away is worn in all Spanish-American countries now for formal morning and afternoon occasions.

Not content with giving us the easy assignment of regulating Mr. Hoover's most efficient department, our correspondent asks us to inform Mr. Hays, whose

Hollywood pictures persist in showing men at balls and evening dinners wearing dinner coats instead of evening dress and white ties. Even in the midst of a buyers' strike, the Mexicans dress better than the people in any other nation in the world and it hurts our feelings to see gentlemen who are assumed to be in society violating all the social rules.

Thus it may be seen how big a conflagration a little fire kindleth!

OF TRAVEL books there is no end. Of travel books which combine keenness of observation and faithful reporting done with an underlying philosophy of things as they are.

Count 'em on your fingers! Marco Polo, Lemuel Gulliver . . . Ed Howe, and Joseph Appel deserve a place. The last because he has just written "A World Cruise Log," in which he brings the talent of a successful business man (Mr. Appel is an executive of John Wanamaker) to a colorful account of a run around the world.

Mr. Appel's book is pleasant reading. It brings to mind the fact that "travel reveals only that which the traveler takes with him on his travels."

He makes far places very different from



AND purchase kiddie cars for all the junior executives . . . That's one way to speed up inter-office communication in these exasperating times of overburdened switchboards and busy lines. But there's an easier and more practical way to solve this irritating problem.

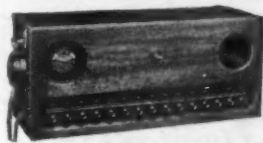
Install the Dictograph system of interior telephones for instantaneous desk-to-desk conferences with your associates.

The Dictograph will take the unfair load off your overworked switchboard and leave it free to handle, promptly and efficiently, all outside calls.

And it will eliminate the time-wasting delays, the nerve-racking waits and the countless steps you now tolerate.

Write to the Dictograph Products Corporation, 220 West 42nd Street, New York, or to any of our branches or agencies, located in principal cities, for a demonstration of the

DICTOGRAPH SYSTEM OF INTERIOR TELEPHONES



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MASTER STATION

Get your man . . .

No waiting . . .

No walking . . .

Send me a copy of your booklet, "YOUR BUSINESS AT YOUR FINGER TIPS"

Name.....

Address.....

N-2

A tale of "ONE" city

There has always been a glamour and a fascination about the West. "Go west, young man!" Every young, red-blooded American has felt this urge, AND many still feel it. The West has been *growing, growing*—all the time. It will continue to grow.

One city has been growing steadily—propelled almost by its own momentum—not spasmodically, not spectacularly, but conservatively, solidly, fundamentally. This ONE city offers today, attractions and opportunities to the manufacturer, the jobber, the investor, and homeseeker, the man with initiative, small or large capital, and a desire to enjoy life as he works.

In commerce, in industry, in shipping, this ONE city has grown—is still growing—and has made more progress in the past six years than in any other period. This ONE city is still in the adolescent stage. True, she has a population of 355,000 (258,288 in 1920); she has over 1,136 industrial plants; she is one of the great fresh water ports of the world; the leading export port for American wheat in the United States; the most important lumber port in America and the principal export port of the Pacific Northwest. Has individual banks with financial resources of over \$70,000,000.

Portland has almost unlimited natural resources immediately around her in the four basic forms of wealth—agriculture, lumber, fish and minerals. She is the lumber capital of the world; sixty per cent of all the wool grown in America is raised in the country tributary to her; she is the great Central Market of the Pacific Northwest; she has a trade area immediately around her of 250,000 square miles; hydroelectric power for industrial development is practically unlimited; there is labor contentment and efficiency because of ideal living conditions.

Portland—"The City of Roses" (The world-famous Rose Festival will be held this year June 13-18th)—a city without an enemy, a sane city, is the geographical center of the Pacific Coast Empire. This is the Pacific era. The attention of the nation is being directed to its undeveloped wealth and opportunities for expansion. It is the "Last West" and the one hope of the man who still has the urge to come West.

The Pacific Coast Empire is a panorama of the world's most gorgeous and magnificent scenery, of snow-capped mountain ranges and towering peaks, of mighty rivers, enchanting lakes, undulating and flower-bedecked meadows, rugged seashore and sandy beaches, all made accessible by steam and electric railways and the finest system of paved highways in America. It is the summer vacation land "par excellence."

Portland extends an invitation to the financier, the executive, the manufacturer, the jobber, the business man, all who make provision for the time and the means for a summer vacation, to spend this summer on the Pacific Coast, and particularly in Oregon with its unlimited facilities for outdoor sport, and recreation, AND to become acquainted with the advantages this city offers for commercial and industrial expansion. An Oregon vacation will be the best investment a business man has ever made.

Mail this
coupon!

OREGON Invites You

Portland Chamber of Commerce
Rm. 709 Oregon Building, Portland, Ore.

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| <input type="checkbox"/> Industrial Advantages | <input type="checkbox"/> Recreational Features |
| <input type="checkbox"/> As a Future Residence | <input type="checkbox"/> Portland's Trade Area, Marketing Advantages |
| <input type="checkbox"/> Oregon Farm Lands | |

Name _____

Address _____

the withered place usually accorded them in the guidebooks.

Such catalogs help the reader to see; Mr. Appel somehow helps the reader to feel.

He traveled as a philosopher, not, as most of us do, as a sight seer merely ranging from country to country on the blind impulse of curiosity.

There is another cause for gratitude—Mr. Appel gives no confirmation to the report that the Grand Canyon is simply a fine place for throwing old safety razor blades.

PARADOXES in the month's news: Chiang, a visiting Chinese military chieftain doubts our democracy . . . and 277,539 foreigners ask to become citizens during the year. Signora Ferrero says emancipation of woman leads her away from home-making . . . and Manchester women take up jiu jitsu to protect themselves when out late at night. Europe sees us in the rôle of Scrooge, writes Edwin James from Paris . . . and Sir Thomas Beecham, English impresario, and Miss Rebecca West, English novelist, decide to establish residences in the United States. Professor Carver of Harvard wants to know what is becoming of the soul of America . . . and the response to the "hundred neediest cases" in New York increased from \$3,630 in 1912 to \$262,609 in 1926. Congress in fight over a bigger Navy . . . and Vice-President Dawes announces he will bestow his Nobel peace prize money on some organization promoting peace. Decentralization of populations of large cities is under way, building and loan officials state . . . and a skyscraper 1,200 feet high with 108 stories is to be put up in New York City.

JAMES R. MILLING, assistant postmaster, Hugo, Oklahoma, writes:

As I remember, you opposed the raise in pay of postal employees; if this is true, I cannot read your publication.

Too true, Mr. Milling. We opposed a blanket increase on the ground that while postal employees were underpaid in certain sections of the country and should have an increase, others were overpaid in comparison with wage levels in their sections.

So you get the increase, we lose a reader. And thus may we see how the world wags.

A WACO, TEXAS, farmer, writing to the editor of *Agricultural Review*, offers a pertinent suggestion.

Says he.

Here's the real stuff. The Ayrshire Breeder's Association offers to trade us cotton farmers "good, young pure-bred Ayrshire bulls" for our surplus cotton—a bull for a bale.

I'm for it. We have been trading votes for bull for a number of years now, and it hasn't got us anywhere. Maybe an Ayrshire bull would be better than a politician's bull. It couldn't be worse.

Speed the day when this keen appraisal of the relative value of the various breeds and varieties of bull gets wider and wider acceptance. *M.T.*

A Thousand Men Looked Over A Thousand Walls

BY THE EDITOR

THAT was back in 1912. It was before parcel post and the graduated income tax—the day of the five-cent loaf, livery stables, and isolated business.

Every business and industry had its Great Wall of China and lived within it.

Coal knew little about lumber. Lumber didn't worry about steel. Steel was oblivious to corn. Corn had no interest in coal.

The retailer of shoes in Chicago didn't realize that his business might rise or fall with the automobile industry in Detroit or the fruit crop in California.

Then a thousand men, summoned to Washington by President Taft and Secretary Nagel, for the first time looked out, over, and beyond the walls of their respective industries and sections.

They saw that business men had common interests, common problems, common duties to each other and to the public. They founded the United States Chamber of Commerce.

The movement needed an interpreter—a publication which would report the growing relations of government and business, and the sweeping economic currents affecting every business and business man.

So NATION'S BUSINESS was established.

The new publication made for itself a new field. It applied the science of economics to the daily lives of all of us, in simple language, as one business man talks to another.

NATION'S BUSINESS quickly caught on. There was an immediate demand for it outside the membership

of the Chamber. The demand grew insistent, and the Board of Directors voted that it be made available to non-members at a subscription price.

Again their judgment was sound. Today 225,000 business men take advantage of the privilege. Including the 25,000 member subscribers, a quarter of a million business men and women are reading this page.

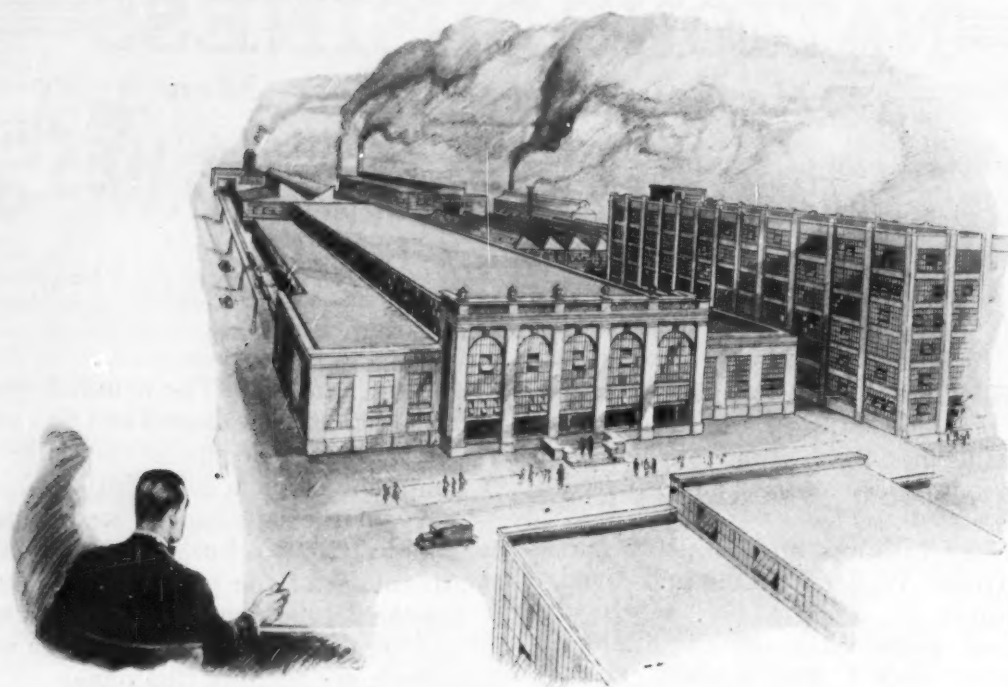
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"We are building up a condition under which every conceivable thing relating to human activity is being given over to regulation by bureaus administered from Washington"

The Cancer of Too Much Government

BACK IN August, 1924, in NATION'S BUSINESS I suggested trying to look ahead thirty years in the light of the tendencies in government during the past thirty years. Unless we call a halt, I said then:

"There will be an officer for every ten persons in the republic. Every conceivable activity of mind and body will be under the direction and surveillance of a bureau. Inspectors and spies will leer upon the citizen from every street and corner and accompany him hourly in his daily avocation. Taxes will be a hundred dollars per capita. Forty per cent of the national income will be demanded for public expenses.

"We will still have a republic in name but a bureaucracy in fact—the most wasteful, the most extravagant, the most demoralizing and deadly form of government which God has ever permitted to torture the human family."

Little has occurred since then to change that unpleasant prospect. It is still the remorseless logic of the present drift of things. It is true there have been several happenings to encourage the belief that an awakening is not wholly impossible. The refusal of the state legislatures to adopt the child labor amendment to the Constitution and the public outburst which thwarted the effort to put through a federal education bill were what might be called hopeful symptoms.

But the disease is still heavily upon our body politic. Just the other day some of my colleagues were blithely proposing a federal commission to take over and control professional baseball because they had read that some of the players had been involved in scandalous events. This instance was strikingly illustrative of the difficulty of effectively checking the habit of trying to find a legislative nostrum for every public and private ill.

NO ONE is better aware than I how hard it is to resist the appeals which are made in the name of humanity for the support of some of the legislation to which I refer. It seems flinty-hearted to oppose measures having such meritorious objects, for example, as the abolition of child labor, but the Federal Government is not the agency for such purposes.

The problem is one of public education. The people must be taught that in encouraging the centralization of their affairs in Washington they are digging the grave of the American Government as it was conceived by the Constitution-makers.

They must learn that, in looking to the national capital to cure all their ailments, they are weakening the fiber of true citizenship and destroying the self-reliant spirit of Americanism without which this republic cannot endure.

By **WILLIAM E. BORAH**

United States Senator from Idaho

WHAT if government does grow? So does everything else. Who cares? Federal taxes aren't killing us.

But, says Senator Borah, it isn't taxation, it isn't natural growth that need worry us. It's the growing tendency to let Washington do it, to sit indifferent to, unmoved by, a growing and an evil tendency in government.

We are weakening the fiber of our political life. There is always some one ready to suggest that the Federal Government take charge of our every activity, from birth to death.

Nor is Borah alone among senators in his fears. Next month Senator William Cabell Bruce, of Maryland, discusses this danger from another viewpoint.

—The Editor

people of the United States."

We have before us a task worthy of the finest intellects. Our agricultural problem, our transportation question, the regulation of our great natural monopolies, coal and water-power, extravagant and corrupt tendencies of government, state and national, the enforcement of law, the protection of human life and property, the bold attempts to debauch the electorate through the profligate use of money—all these cry out for our most serious attention.

IT IS doubtful whether anyone can recall at any time or in any country so many searching problems, involving industrial welfare and national power, as now confront our people. The question I submit is:

Can we not solve these problems without surrendering or destroying the great underlying principles of our government? Is this new economic life incompatible with the principles of our Federal Constitution?

As we approach these problems it is most disturbing to encounter on every hand the erroneous belief

that the way to meet these new questions is to effectuate some change in the structure of our government, and thus everybody is proposing a change until the whole structure is impliedly under condemnation.

If some humanitarian cause calls to us from one corner of the country or economic distress sounds a note of alarm from another, those in public life, apparently not knowing what else to do, propose some change in the structure of the government, some amendment to the Constitution. It is like the case of which Burke spoke when he said: "Politicians who do not understand their trade sell their tools."

But, in my judgment, neither the dictates of humanity on the one hand nor sound principles of national progress on the other demand or require that, in meeting these great and new problems of the twentieth century, we disregard the underlying principles upon which this government was organized. The organic principles of this government, wisely applied and lived up to in our national life, will save and serve every interest, spiritual and material, of our people, and enable us as a nation to reach the highest plane of happiness, prosperity and power.

Our difficulties and our evils flow not from our form of government but from our failure to appreciate and utilize, according to its great principles, the government we already have. Time and economic changes may call for a readjustment of the machinery, but the great principles themselves, the cardinal maxims born of toil and travail,

of suffering and sacrifice, ought under all circumstances to be sacredly respected and vigilantly preserved. I say sacredly because I believe that upon the preservation of these principles depend the most sacred things of life, liberty and order and progress and the physical and moral well-being of millions yet to live.

When we see wrongs which should be righted, evils which should be eradicated, when we see out of our reach new elements of progress which we would enjoy, let us not lightly lay the fault to our form of government, or some provision of our great Charter; let us rather inquire whether the fault lies not with ourselves, with our failure to measure up to its possibilities and to utilize the means ready at hand.

It is easy to attack our government but is far more difficult, and it calls for great industry and ability, to make wise use of the instruments which have been placed at our disposal. Anyone can inveigh against a provision of the Constitution and offer substitutes based upon speculation and hope, but it requires patience and speculation and sound leadership to apply established principles to a given evil.

The supreme test of statesmanship today, it seems to me, is not the constant and reckless tinkering with government, but the intelligent application of the machinery and the principles of government which we have now.

This clamor for change merely for change's sake, this haphazard floundering in legislative affairs, is nowhere and in no way more pronounced than in the gradual but certain destruction of the states and the centering of all governmental power in Washington. In this irresponsible vandalism, the disciples of Hamilton and the apostles of Jefferson join hands. No political party in Washington seems willing to stand against this subtle revolution, against this un-American, undemocratic program.

As a result of well-organized propaganda on one hand and sheer political expediency on the other, we are building up a condition under which every conceivable thing relat-

ing to human activity is being given over to regulation by bureaus administered from Washington. This results in waste and inefficiency touching all local or state affairs, which in itself is burdensome and bad enough. But its capital offense is that of undermining the confidence and destroying the capacity of the citizen to assume and meet the duties and obligations of citizenship.

People's Rights Beyond Price

THE right and authority of the people to manage and control their own affairs of an immediate and local nature, affairs peculiar to the community or the state, is beyond all price. There is nothing for which the people can afford to exchange it. It is the most genuine democratic principle found in our entire structure of government. It means more to the happiness, the dignity and the power of the people than any other right they are permitted to enjoy. Destroy it, and the average citizen becomes the victim of bureaucratic interference, annoyed constantly by its persistent intrusions upon the affairs of his daily life and

burdened by its chronic inefficiency and habitual waste.

If there ever was a real struggle for popular rule and for the preservation of the popular voice in politics and government, it is in this effort to conserve for the people the right to control and administer their local affairs in accordance with local wisdom and local conditions.

Unless we mend our ways, there will not be a custom, practice or habit but must be censored from Washington. There will be nothing in all the relationship of parent and child, of family and home, sufficiently private to exempt it from the furtive eye of a federal agent. I venture to say that coming generations, when they awake to the deliberate robbery and wanton devastation of their heritage of local self-government and begin to suffer the tortures and burdens of such a system as will follow, will denounce in unmeasured terms those who have spinelessly frittered away their rights.

Local self-government is the citizens' citadel of political power. Dislodged from it, he becomes a mere political tramp, the helpless victim of arbitrary rule.

Local self-government is also the great political university where the average person is trained for the civic obligations which all sooner or later must assume if we are to continue as a republic. Initiative, a sense of responsibility, political character, patriotism, a feeling that they are a part of the government, are all born of that daily contact with government which local self-rule alone can furnish.

You cannot have a great federal union without great commonwealths upon which that union may rest. You cannot have great commonwealths without strong, self-reliant, capable men and women. You cannot have strong, self-reliant, capable men and women equal to the arduous duties of citizenship, without that touch with public affairs, that sense of obligation, that pride in government which springs almost wholly from the activities of the citizen in local affairs.



The World's Biggest Business Job

By F. S. TISDALE

MANY A BUSINESS executive has convinced himself that his job is just about the hardest job there is. If he is a manufacturer he must be a prophet in buying raw materials, he must outguess his rivals in designing his product, he must at least equal his competitors in sales strategy, he must be diplomat enough to keep his workers contented. Furthermore, there are financing crises, engineering problems, secret leakages, depreciation and a thousand other forces which constantly seek his undoing.

Now suppose that one day, when this typical executive was sitting before his shiny mahogany desk meditating upon these difficulties, he was waited on by a delegation and offered the presidency of another organization. Upon inquiring as to the duties he would be told:

"This is a real job. The enterprise conducts a hundred activities. Under you would be great lines of ocean and river steamers, an immense railway system, a string of famous hotels, land companies and a dozen other things in the million-dollar class. And you would have to produce a profit, a good plump profit, because that is what the present incumbent is doing."

In view of this multiplication of responsibilities, our business executive could be excused if he turned down the offer. Thereafter he might look upon his own duties as small potatoes—minute potatoes even—but he would be compensated by a corresponding shrinkage in the appearance of his own worries. Also he could console himself with having refused what is doubtless the biggest business job upon our planet.

We Americans are overfond of superlatives. The ending "—est" has a powerful fascination for us. I offer as a wholesome antidote for this national weakness the announcement that neither the biggest job nor the executive who holds it is American. We may gather some comfort from the fact that he and it are of our own continent.

The Man Who Holds the Job

WITHOUT playing any further upon your curiosity—the executive with the biggest job is Edward Wentworth Beatty, LL.D., K.C., chairman and president of the Canadian Pacific Railway, chairman of the Canadian Pacific Steamships, Ltd., and head of the varied enterprises in that company's immense family. The properties include:

20,000 miles of railroad, owned and operated.

A \$25,000,000 chain of hotels; 16 in important points besides many bungalow camps for tourists and sportsmen.

425,000 tons of shipping—60 steamers on



WHO IS HE? *The executive head of the most extensive business organization in the world, says the author. For variety and scope the enterprise has no parallel.*

The organization comprises a huge railroad system, a fleet of nearly a hundred ships, a chain of 16 hotels, a twenty-million-dollar irrigation project, an express company, traction lines, farm lands, telegraph lines, and real estate holdings; and the whole thing is under one head.

the Atlantic and Pacific Oceans, 23 on lakes and rivers.

115,000 miles of telegraph wires.

100,000 employes scattered over the world from Europe to the Far East.

A \$20,000,000 irrigation project.

Millions of acres of farm lands.

An express company that serves the entire railway system and the world.

Instead of hauling sleepers for others, the Canadian Pacific builds its own and operates them. Its telegraph service company runs a news service. Part of the food served in hotels and diners is raised on the company's farms. The C. P. also owns coal mines, saw mills, smelters and grain terminals. There are other allied interests up to a hundred.

The Canadian Pacific mileage can be compared to some of the great American lines to give you an idea of that item in

Beatty's job. The longest road in the United States is the Southern Pacific with 14,518 miles of track. You can also consider the 11,764 miles of the New York Central and again fall far short of the Canadian carrier. The C. P. is surpassed by the government-operated National Railways of Canada. The National is lord of 22,000 miles of rail.

Only an unusual man could handle such an unusual job. And Beatty (you pronounce it "Bee-tty") is remarkable for what he isn't as well as for what he is. He was elected president of the C. P. in 1918 when he was only forty-one years old. He is still a young man as railway presidents go, having not quite reached the fifties. Some of the orthodox ideas of success may be disturbed by the fact that Beatty did not start out swinging a pick with a section gang.

He came to the presidency from the road's law department.

Not Even a Poor Boy

IT MUST be recorded with sorrow that he was not even a poor boy. His father before him was a successful man of business, blessed with reasonable riches. There may or may not be significance in Beatty's resemblance to John D. Rockefeller, Jr., another inheritor of power who has vindicated the second generation.

Size is not the only thing that has complicated the difficulties of Beatty's job. Through natural causes there has grown up in Canada a railroad situation without parallel in history. Beatty's road is a fine, healthy organization that walks alone, enjoys life, sleeps well at night and pours regular dividends into the pockets of its shareholders.

Its only real rival is the 22,000-mile National System, which is a government institution with a chronic deficit so that the cases are not parallel.

Heaven knows it was bad enough in this country when all the lines were under government suzerainty! At least they were all in the same boat. But let the American railroad executive consider what he would be up against if he were forced to compete against a powerful government system with a privately operated road.

Excessive Railroad Mileage

THAT is the amazing situation facing Beatty and the C. P. R. It is the result of the overbuilding of railways when Canada was carried away by the flush of boom conditions. The country's railroads are now far ahead of its population and industrial growth. There are 443 miles of road for every 100,000 Canadians. In the United States the proportion is 251 miles per 100,000 inhabitants. To put it the other way 'round, Canada has 222 inhabi-

tants per mile of railroad against 454 per mile in this country.

Encouraged by the success of the Canadian Pacific and mistaking boom enthusiasms for a permanent condition, the Dominion and provincial governments aided by grants and loans in the building of two other transcontinental lines. The 1907 slump hit the unfinished projects, and, though they were completed, they haven't recovered yet. Despite heavy loans, it was evident that both the Canada Northern and the Grand Trunk Pacific were headed for receiverships. In response to public clamor these two roads were taken over by the government and welded into the National Railways System.

Largest Corporation Taxpayer

HEAR now from Mr. Beatty's lips what all this means to the Canadian Pacific:

"The Canadian Pacific is the largest taxpayer in Canada. Thus the greater the deficit of the National Railways, the greater the tax burden on the Canadian Pacific. On the other hand, if the National Railways prosper by the diversion of traffic from the Canadian Pacific, the Canadian Pacific's loss will be greater than the taxes would have been.

"Again: The greater the Canadian Pacific's profits, the greater will be its taxes and hence the larger its contribution to its rival."

To date comparison of private with public operation has not been to the disadvantage of the former. And a great measure of the credit is due to Beatty. He is known from one end of Canada to the other and is vastly popular. Some of this affection can be traced to the fact that he is the first Canadian-born president the Canadian Pacific ever had. Lord Mount Stephen was born in Scotland. Sir William Van Horne and Lord Shaughnessy came from the United States.

Beatty's father migrated from northern Ireland. He made a fair-sized fortune in Western Canada and settled in Thorold, Ontario, where Edward Wentworth Beatty was born on October 16, 1877. The elder Beatty started a line of steamers on the Great Lakes. His success

attracted the attention of James J. Hill, who was forming a syndicate to develop the Canadian Pacific. Beatty was invited to participate but refused; it was written that not he but his son was to become a power in that road.

When young Beatty was ten he moved with his parents to Toronto. You can tell a lot about a man's inside by the way he talks of his past. From Beatty's description of his youth it is evident that he is not guilty of taking himself too seriously.

"My initial achievements were far from creditable," he once told a class of students. "I entered a preparatory school at Toronto—I think it was in 1889. I rejoiced in the euphonious nickname of 'Banty.' Most of my spare time was spent doing extra work occasioned by my not having done the work I should have done when I should have done it. I had an excellent record for the number of canings which I thoroughly well earned. At the end of one year I received a report which would have discouraged any parents less hopeful than mine."

Dismissed from School

APPENDED to this report there was a postscript in a bold and uncompromising hand. "In the opinion of the principal," it said, "it is not desirable that this pupil should return to the college."

The family took the hint and did not send their son back to that college. Young Beatty was enrolled in another school where he fell into the hands of a man who was a good teacher, though he had a furious temper and was overhandy with the ruler. This teacher finally informed Beatty that he might amount to something. "Which," the student confessed years afterward, "was news to me at the time."

When he went to the University of Toronto there were still no apparent signs that here was a railway man in the making. His triumphs were athletic rather than scholastic. He was a fast and smashing quarterback, playing on the varsity football team which won the Dominion championship. From Toronto University, Beatty went to the Osgoode Hall law school.

Not a Remarkable Student

HIS LAW school record was not remarkable. Beatty got his start with a private law firm in which one of the partners was A. R. Creelman.

When Creelman was made chief solicitor of the Canadian Pacific in 1901 he took Beatty along. It was a case of love at first sight. From that time on Beatty was a C. P. R. man.

A Railway Commission was formed some years later to adjust disputes between the roads and the different communities. The distinguished commissioners almost lost their gravity when Beatty, a youngster under thirty, appeared before them representing the mighty Canadian Pacific Railroad. It was in this work that Beatty mastered the intricacies of the organization. He had to dig into every phase of finance, engineering and operation. Also he learned how to cooperate with communities and enlist their help instead of rousing their hatred.

Beatty Named King's Counsellor

IN 1913 Beatty succeeded Creelman as general counsel for the road, and the following year he was elevated to King's Counsellor, which accounts for the K.C. after his name. Lord Shaughnessy, head of the road at that time, had kept an appreciative eye on this rising youngster. He prepared the way, and when he stepped down as president in 1918 Beatty was elected to his place. At the time he was the youngest railroad president in the

Besides a mammoth railroad, Mr. Beatty's company also operates a hundred miscellaneous enterprises, some of which are suggested in the accompanying composite picture. And Mr. Beatty is the boss of them all



world and his company was the world's largest.

The stockholders, it might be added, have never regretted the choice.

There is nothing spectacular about this man with the biggest job. Though he is of Irish extraction, he does not bubble with eloquence and wit. When you meet him he looks at you with a steady grey eye, and you know there is a steady brain behind. He prefers to let you do the talking.

Beatty is a bachelor. He has never "had the time nor the inclination to get married." There is a saying within the organization that he is married to the C. P. R. He lives at his own private house on the mountain overlooking Montreal. He does not entertain much.

Wears His Hat Over One Eye

IN STATURE he is somewhat below the average, and his outstanding characteristic in dress is wearing his hat yanked down over his right eye. He reads a great deal, his favorite subject being history, and his favorite history being the annals of the Middle Ages.

The Canadian

Pacific head is still an athlete. Golf is too mild for him. He plays handball. When he is at home he takes a forty-minute workout every day. If he fails in this, he says he feels sluggish at his desk the next day.

Mr. Beatty's chief hobby is the welfare of the Shawbridge Boys' Home, an institution for which he has done a very great deal. It is for underprivileged lads, and there are a couple of hundred of them being trained in decent living there. He spends quite a few off days there and is exceedingly popular with the youngsters. This institution is a farm with several fine buildings at Shawbridge in the Laurentian Mountains, north of Montreal.

It has been taken as a model by provincial governments and other organizations in Canada which have desired to take up this work.

It might also be mentioned that Mr. Beatty is Chancellor of McGill University, Montreal, and was for a time also Chancellor of Queens University at Kingston, Ontario.

"This Century Is Canada's"

CANADIANS are fond of saying, that as the last century belonged to the United States, this century belongs to Canada.

They find striking similarities; for instance, Canada began this century with about the same population the United States had at the beginnings of the last century. Beatty says that "immigration is Canada's greatest need."

With millions wanting to get away from Europe you might think the problem a simple one; but it isn't.

Beatty and his organization do everything possible to bring in new citizens, but they must be hand-picked. What could be more foolish than to try to make pioneer wheat ranchers out of the underfed products of London's slums? In the Canadian Pacific

scheme of things the country's future depends on getting the right sort of men on Canada's rich lands. The road has a vast domain adjacent to its rails, and it gives the right sort of men every possible help in paying for their acreage and stocking it properly.

Choosing Men for Farms

FOR THESE reasons the C. P. has always been eager to attract American farmers. Not only are American farmers familiar with conditions similar to those in Canada, but these men have the requisite capital and character.

The sales terms are easy enough, but the life of a pioneer rancher is not, and the Beatty organization tries to pick men with nerve enough to stick out rigorous winters.

"Restriction of immigration to the United States helps immigration to Canada," says Mr. Beatty. "But, paradoxical as it may seem, the most impelling need for more immigration to Canada is its proximity to the United States."

He explains that Canada has her emigration problem as well as her immigration problem.

While settlers are being induced to come to Canada, thousands of Canadians are crossing the border, attracted by opportunities in the United States.

"The influx of capital," continues the C. P. R. president, "is just as important as the immigration of men. If the new capital amounted to \$300,000,000, the number of immigrants that could be absorbed would be 300,000."

"Every man who settles in the Canadian west, the area of great farm acreage, means a job for someone in the Canadian east. There is now about \$2,500,000,000 of United States capital invested in Canada. These investments have been largely the result of visits to Canada by monied American tourists."

Why Tickers Are Not Found

THERE is food for thought in the following incident. A newspaper man once asked Beatty to explain something that had happened to the price of Canadian Pacific stock.

The reporter was astonished when Beatty said:

"I don't know what the price of Canadian Pacific stock is now."

"There is not a single stock ticker in any office of the Canadian Pacific Railway."

"Tickers are a sign of stock manipulation. The Canadian Pacific management has never done that."



Is the Business Man a Boob in Politics?

By FRANK R. KENT

Cartoon by Cesare

SOME DAY or other the average successful business man in the country may grasp the fact that it is not a smart thing to be inactive and uninformed about politics—that actually it is an extremely stupid thing. Some day it may be driven home to him that when he says “politics does not concern me,” and “I have no interest in politics,” that when he pridefully proclaims “I’m not a politician,” and “I’m too busy to bother about politics,” he is not proving himself superior or clever or wise but merely demonstrating his lack of sense. It is not a question of duty; it’s a question of intelligence.

If there is anything in the world that affects the lives of all of us more vitally than politics, it has not yet been pointed out. No clear-headed person disputes that for a minute. It can be proved in a thousand ways.

Life and Political Permits

IT SOUNDS silly, but it is literally true today that from the cradle to the grave there is no single phase of our existence into which politics does not enter—no period of our lives in which it does not play a part. On the day we are born the attending physician, under the law, must go to one political department to make a record of our birth, and when we die the undertaker has to go to another political department for a burial permit. And there is a third political department to which we must apply for a license to marry.

It is simple and it is absurd, but few people ever realize that it is not possible to be born or to die or to enter into the holy state of matrimony or to get out of that holy state either, in this great and civilized country of ours, without political help.

Rich or poor, big or little, man or woman, married or single, politics enters into our lives from start to finish, intimately, directly, deeply, inescapably. Every tax you pay from the license tag on your automobile on up to the heavy impost on your home and your income; the smooth streets and good roads over which you walk or ride, the public schools to which you send your children, the fire department that protects your property, the health department that guards against epidemics and disease; the very water you drink; the courts and custom houses, the jails, penitentiaries and asylums; the police department that keeps down crime, the post office that delivers the mail, every law and ordinance under which we live—all these things spring from government, and government in this country springs from parties, and parties are politics.

So, whether you like it or not, whether you are interested, active and informed, or whether you are inert, inactive and ignorant, politics permeates your entire existence and it is supremely silly to say, “Oh, politics does not concern me.” It is not surprising that the more intelligent of the professional politicians in the big cities, the fellows who live and grow rich out of politics and are smart enough to know why, do not look up to the successful business and professional man who with smug superiority asserts that “politics is of no interest to me”—it is not surprising that, instead of looking up to such men as shrewd, they look down on them and laugh at them as boobs.

Chicago: Political Paradise

NOT LONG ago out in Chicago, I sat with a man who has no other business but politics, who has prosecuted it with energy and success, who has made a fortune out of it, who is on the “inside” and who has a singularly clear and analytical mind. He pointed out that politics is by long odds the biggest organized business in Chicago, that there are more people employed in it, that more money is made out of it, that its projects and problems are larger and more complicated than any other business, that the effect of politics on every other business in Chicago is vital and direct, that the bigger the business the greater the effect, that every business man, big or little, in Chicago has a stake in politics. And he wound up with the puzzled query, “Why in the world do they let us run it?”

Of course, there is no answer to that question except that the business man in Chicago, as in New York and in every other great city, is really a boob. There isn’t any other way of explaining his utter neglect of a thing as vital, as general, as inevitable, as politics.

Entirely aside from civic duty, and considering politics altogether from the business angle, it is literally amazing that the

average American business man, so alert and insistently efficient in every other matter that affects his business, should be so singularly blind and indifferent to politics which affects it and him in more ways and more deeply than any other.

There Is No Check on Taxes

THE GREAT industrial corporations, the railroads, the banks and business houses upon which the prosperity of the country is concededly based—the management of these concerns closely watch every payment to see that full value is received. They scrutinize cost sheets with extraordinary concentration and care. They plug up leaks, keep a vigilant eye on the overhead. They labor incessantly at ways and means of cutting costs. They go to the source of every expenditure and make it a matter of pride—even the richest of them—to cut out waste, to eliminate extravagance, to promote efficiency and economy in production, to get to the bottom of every outgoing dollar.

They do all this with every dollar save the tax dollar.

That is the only dollar spent by the business man, big or little, which he does not follow through; the only one for which he does not get a dollar’s worth in return; the only one which escapes the cold, commercial analysis, to which the acid test of modern



business methods are not applied. To use an inelegant but expressive Broadway term, this tax dollar is the only one on which the business man permits himself to be regularly systematically, consistently "gypped." Every other bill he watches like the well-known hawk. But with the tax bill—county taxes, city taxes, state taxes, federal taxes, taxes on tangibles and intangibles, taxes on income and on real estate, on automobiles, on furniture, on inheritance—when the tax bills come flooding in the average business man cusses, draws his check, and tries to forget it. He does not do that with other bills.

The tax bills are the only ones he never investigates.

Machines Cost Money

IN A vague way he knows the county, city, state, and national governments are conducted on his money. He knows they are run with riotous extravagance and inefficiency. He knows that a huge, unofficial, extra-governmental, political organization, with all sorts of ramifications both reputable and disreputable, is sustained by and operates as a result of his tax payments. He knows that hundreds of thousands of hangers-on attached to these political machines are comfortable and permanently nourished because of his political inertia and indifference and that his lack of attention to this end of his business permits the existence of a great loosely organized army that lives—and many of them grow rich—by reason of his failure to follow through on the tax dollar.

Any business man who starts in seriously to count up the number and variety of his tax bills—and the amount—

has an immediate increase in blood pressure. He gets mad, but he pays the bills and lets it go at that. He earnestly damns the government and the politicians. He knows that governmental waste and extravagance and loose political methods of

TO MR. KENT'S shrewd and caustic comment on the business man and his politics this might have been added:

When the business man does take a hand in politics, he acts as if he were doing something of which he ought to be ashamed. He ignores the selection of his public servants; and when he is threatened by those whom he has permitted others to select, he seeks to bring pressure in roundabout ways.

In other words, too many business men treat their politics as they treat liquor—they bootleg it a little shamefacedly.

When business sits up and decides that it has a stake in the choice of every public officer, both government and business will be better.

—The Editor

one sort or another cost him money every year, but he never tries to do anything about it, even when he thoroughly understands what it is all about—and it is a fact that the understanding ones are an amazingly small proportion.

The favorite alibis of this understanding minority are that they have neither time, taste nor talent to do anything, that they would rather pay than bother about politics, that "politics is a dirty game and I don't want anything to do with it."

Of course, there is nothing to be said to those who maintain a state of mind such as that except that, if such is their feeling, they have no right to bellyache about their bills. To hear some of them talk one would think that these excessively and unreasonably high taxes were something somebody, over whom they had no control, did to them; not something which could not possibly be done to them except through their own inertia and indifference.

No wonder my puzzled political friend in Chicago asks, "Why do they let us run it?"

"My Vote Won't Change It"

THE popular notion that "it can't be helped" and that "nothing can be done about it"; that "one vote or one individual makes no difference and the politicians will run it anyhow," are the excuses which the great majority of business men use to explain not trying to do anything. But they are neither sound nor sensible. They won't hold water.

There is not space here to go into details why one vote and one individual's activity does make a difference, but it is possible to briefly tell the story of one concrete instance of a business man who made up his mind to do something, and did.

Four years ago in Baltimore, William

"When the tax bills come flooding in, the business man cusses, draws his check, and tries to forget. These are the only bills he does not investigate"



J. Casey, vice-president of the Continental Trust Company, found himself worrying over the fact that, in spite of a full complement of tenants and entirely adequate rentals, he was unable to make the handsome office building owned by his company pay better than a 3 per cent return. He went carefully over the costs of upkeep and maintenance. He found the building efficiently and economically managed. There seemed no place where he could save a dollar. Then he looked at the tax bill and he started thinking.

Serious Political Thinking

THE MORE he thought the more he felt something ought to be done and the more he became convinced that a mistake was being made by his company and everybody else's company in not following the tax dollar through; that if real business methods were put into the city government, for instance, taxes could be cut down instead of being increased. It occurred to him that business methods of conducting the city government could and would be put in by business men, not by politicians.

He determined to try what could be done.

First he talked his idea out with the newly elected mayor and found him willing to cooperate and support because Mr. Casey, neither a politician, a reformer nor a grandstand player, was a most convincing talker. Mr. Casey, through the mayor, asked a dozen or so great taxpaying corporations in Baltimore to cooperate—the Baltimore and Ohio Railroad, the Bethlehem Steel Corporation, the Chesapeake and Potomac Telephone, the gas company, the Street Railway and others. An efficiency commission headed by Mr. Casey was organized and made up of experts loaned by the corporations.

Backed by the mayor, the Efficiency Committee completely reorganized the city government and put it on a real business basis. Duplicating and overlapping departments were wiped out or merged. Old methods were discarded. An auditing system, not only thief-proof but fool-proof, was put in. Bureaus were merged and consolidated. The whole business of government was simplified and made less wasteful and costly.

It is not possible here to tell the whole story of how and what has been done in Baltimore because one business man made up his mind that politics was too vital not to take part in, but it really is a thrilling and inspiring story. The net result is that, without any wave of reform, or outcry in the press, or beating of drums, changes have been effected in the municipal government in Baltimore that give it today a better governmental machine than any other city in the country.

Casey Angry, Taxes Drop

IN VARIOUS cities you hear much talk about a business government; in Baltimore they have it; and they have it because W. J. Casey, who isn't in politics and wants no political office, got mad about his tax bill and decided to do something about it.

Perhaps what he really did can be best summed up in the statement that the Baltimore city tax rate, which for two genera-

tions had been steadily mounting, has definitely started on the down grade. In the last three years 58 cents has been knocked off the rate, and the end of the reduction is not yet in sight. Word of what has been done in Baltimore has brought observers and investigators to that city from all parts of the country, who invariably express amazement that a political machine could be found that not only did not resist such radical changes as were necessary but assisted in bringing them about and actually takes pride in them.

Not the least remarkable thing is that it was done practically without cost to the city. The great corporations thought it good business to lend free the services of their first class men to the work. Of course they have more than justified their judgment by the many thousands of dollars they are annually saving in tax payments.

It sounds something like a fairy tale—this Baltimore story—but it isn't.

The point of it all is that something can be done by business men in politics and that it is good business to do it.

Not only is it good business to do it but it is crass stupidity not to do it.

"Why do they let us run it?" asks the Chicago politician. He knows that, whenever the business man makes up his mind to run it himself, he can do it, without much trouble or time. He knows, too, that it is not only vastly to the business man's interest to run it but a lot of fun besides, and it is completely beyond his comprehension why, instead of taking hold of his own government, the business man adopts a silly attitude of superiority to politics, the result of which is that he not only gets soaked hard and unnecessarily in the matter of direct taxes but has to pay through the nose in a lot of indirect ways that add much to the cost of living.

Paying to Starve off Ruin

AT EVERY session of the legislature in every state the great business and banking interests are kept in a state of anxiety and have to shell out large fees to high-priced lawyers and lobbyists to keep the politicians from ruining their business.

You would think they would get tired of that.

They do, but they don't do anything about it.

All over the country, except in the one-party states, the tendency of the average business man is to consider the primaries as peculiarly the province of the politician, and if he votes at all he votes in the general election. It is a fact that except in the one-party states, where the general election is a mere matter of form, not one-tenth—often less than a twentieth—of the men and women who are qualified to participate do participate in the primaries. They are wholly and completely dominated by the politicians.

The primaries in this country are the key to all politics and all government—and all taxes. They are the source of all political power. The general election voter who leaves the primaries to the politicians deliberately permits the machine to limit his choice in the general election to the machine choice in the primaries. All candidates must first pass through the primary

gate before they can get their names on the ballot in the general election. Control of that gate is control of the city, the state, the nation. Defeating the boss's ticket in the general election is unpleasant perhaps but never fatal to him politically. So long as he holds the primary gate he holds his power and controls the situation. But defeat the machine in the primaries and you have dealt it a mortal blow. Even when the machine is not defeated in the primaries, if it is given real competition it is compelled to play the game on a higher plane, and better government results. It is lack of primary opposition that brings the worst results.

Political Evils Equal Inertia

THE THING can be summed up in the single statement that in every community the weakness of government and the power and evil of political machines are exactly equal to the inertia, indifference and inactivity of the intelligent people of that community to the primaries.

How long it will take the business men of the country fully to grasp these facts and to do something about it, it is impossible to tell. But it isn't worth while to say that nothing can be done, or that "It makes no difference and the politicians will run things anyhow." That is silly.

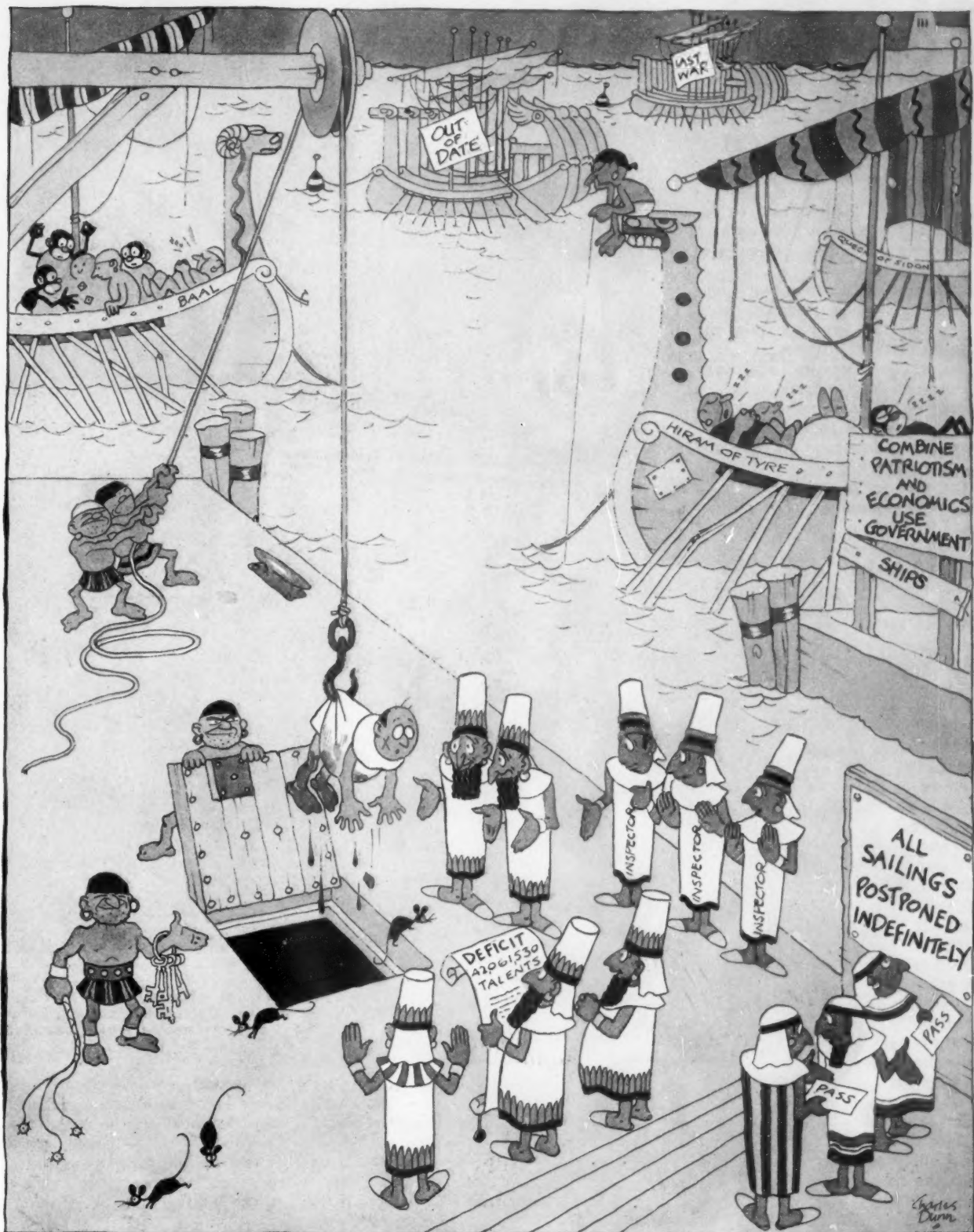
A Narrative of 900 Slaves

THERE is now rising in New York City a vast building which will house the terminus of a pipe line. This pipe will not bring water. Instead, there will pour out of it each hour, for the service of the city, the labor of ten million slaves. These slaves will be electric ones; the building is the new East River Power House of the New York Edison Company, rated at a million horsepower, which is more than ten million manpower. The powerful streams of electrons which will pour out over its wires are as truly the slaves of the citizens as were the regiments of Nubian captives who served Pharaoh.

The metaphor of a pipe line is apt, for through great power houses, in each American city, flows to its citizens a part of their daily portion of the benefits of science. Too many people think of the results of scientific research as being facts buried in books, unreadable except to experts. These books are only containers. The real results of science are the benefits it gives mankind.

The extent to which electricity has remade the world is seldom appreciated. We used last year in the United States more than one hundred billion man-power of electricity. Man-power is more impressive than horsepower. If we tried to get these same tasks done by actual human labor, as even the greatest kings of Egypt or of Babylon would have had to do, each man, woman and child would have to own, keep and house about nine hundred slaves; slaves to light the lamps, to draw the chariots, to run with messages and to sweep the floors and to carry us up on their backs to the tops of whatever tall buildings we dared to build.—By E. E. FREE, Ph.D., of the American Institute of Mining and Metallurgical Engineers.

BABBITT THROUGH THE AGES



III.—PHOENICIA

THE TYRE AND SIDON Shipping Board, having failed to make a success of *Triremes, Inc.*, summons Hanno Babbitt, *Triremes'* ex-president. (Mr. Babbitt had been dropped into a dungeon for an indefinite period for saying that he didn't think the Board knew anything about ships). One of the Board's difficulties had been that the Sidonian Senate had ordered double wages for all rowers who could vote—and four men instead of two on an oar.

Watch Texas!

By
FREDERICK SIMPICH

LIKE ANOTHER Golden Road to Samarkand, the great trade route of a changing southwest sweeps into awakening Texas.

Cow paths are turned to motor highways. Where whitening skeletons once lined the dusty trails, you see now the rusting wrecks of fallen flivvers.

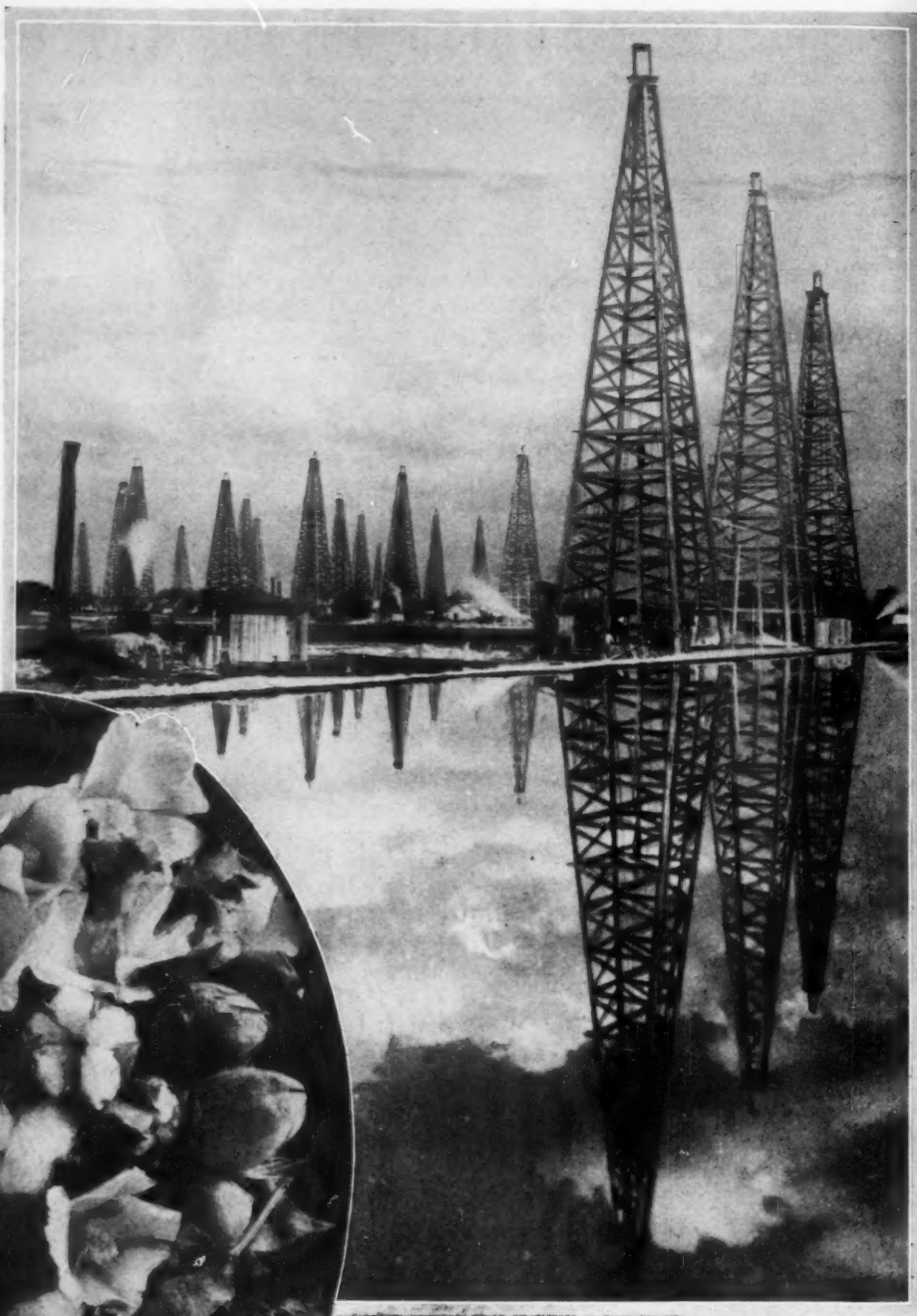
About waterholes where long ago wary longhorns came at dusk to drink, sprightly towns are sprung up; and now fat women in knickers roll their Wrigley where the bad man in hair pants used to chew his quid of "Pigtail Twist."

"In fifty years we've passed from Redskins to Rotarians, from Injuns to Engines," an old Texan told me.

"I remember when ox-teams freighted these plains and rates was so durned high it didn't pay to raise nuth-in'." Now Texas and Iowa farmers vie for "the biggest crop in America." And in this once empty but always romantic region where the flags of six nations have flown, 1,500,000 cars of freight now originate each year, while across its far-flung borders there roll another 3,000,000 cars, linking up California commerce with the middle west and Atlantic Coast.

Riding out of Fort Worth—where a million cattle bawl their way to market every year—you see modern towers of Babel lifting their skyscraper heads above a busy land that not so long ago was only a racecourse for coyotes and jumping jack-rabbits. Today 5,300,000 happy Texans toil and spin, sow and reap, live and love where a bare 20,000 embattled whites held their own against the Mexicans when Sam Houston came.

And still they come! No region in all the surging southwest is luring more men—



Cotton and oil, once the Lone Star State's most important products, are now but two among many in the new era of diversification

and money—than Texas. New settlers are coming at the rate of 10,000 a month, railroad industrial agents say. And eight new people come in for every

one Texan who goes out!

The tide of farm immigrants now flowing to the Panhandle is the largest mass movement of farm population America has seen since the historic trek to western Canada in the nineties.

"Seven years ago," a Texas oil man told me, "I rode over the Big Springs-La Mesa road up in the Panhandle, and there was hardly a house in sight. Last week I went over that same road. Now every mesquite bush is pulled up; all open range is cut into

section and quarter-section farms. . . . To judge how fast Texas is settling, you have only to look at the many new towns. Dozens of 'em—paved streets, parks, movies and all, with from two to five thousand people; towns that didn't even show on the railroad time tables ten years ago."

Rush Started with Oil Find

THE new boom town of Borger is such a place. When oil was struck, the rush started. In eight months it jumped from a population of three horned toads, a snake and some owls, to 20,000 people. Before the railroad could get in, town builders and oil drillers had already dragged \$40,000,000 worth of supplies and equipment for 50 miles across the empty land. Swift on the workers' heels came the horde of gamblers, sports and camp-followers. Soon, so tough

the town got that it had to clean house, and, vigilante-like, it rose in its wrath, late in 1926, and chased an army of undesirables over the level horizon and far away.

"But we don't want a crazy boom," cautious Texans tell you. Nor do they expect any great mass movement of newcomers, such as invaded Florida in recent years. So far, towns and industries in Texas easily absorb about six out of seven newcomers and one in seven goes to farming.

"These 100,000 a year or more of new settlers—are they not job hunters, or do they bring capital with them?" I asked of C. K. Dunlap, traffic manager of the Southern Pacific Lines at Houston.

"That depends," said Mr. Dunlap. "Those from more than 1,000 miles rarely bring livestock or implements and but little household goods. Those from less than 500 miles bring most all their possessions. Many come by automobile. It's hard to estimate the money a homeseeker brings. I know one who bought 1,280 acres of land at \$80 per acre, spot cash, and then spent over \$30 an acre on improvements.

"Others come whose cash is hardly enough to get them here. While rich men have flocked to Florida and California, few people moving to Texas have brought much capital. Possibly the average Texas homeseeker today brings from \$2,000 to \$3,000. If he does, that means from \$200,000,000 to \$300,000,000 a year of new capital imported by settlers alone.

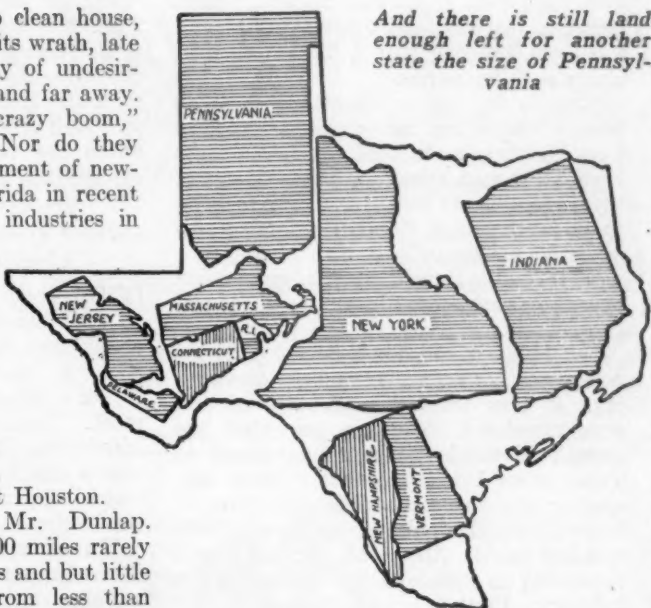
Capital Comes Into Texas

LATELY much outside capital is being sent here for investment. It goes into city property, office buildings, hotels, apartment houses, warehouses, etc. Much goes into tax-exempt municipal road bonds; some into irrigation bonds secured by lands. In recent years big sums went into the oil industry. Today many clay and other mineral deposits are being developed, and this also is bringing in outside capital.

"We get letters from all over the union," said Mr. Dunlap, "asking for information as to lands, industries, investment chances, restaurants, dry-goods stores, and as to opportunities in the professions. Even preachers write us."

"What about land prices and raw land development?" I suggested.

"Well, the break-up of big cow ranches caused something of a land boom a few years ago. But the chief attempt was to sell the land, instead of getting it settled. Reaction followed. Now the pendulum swings back, with much progress in actually settling and improving raw lands. This is especially true in the Panhandle country. Today new Texas land is being put under plow at the rate of about 386,000 acres annually. Probably 500,000 new people have settled on raw land in west Texas since the movement started. Here, as elsewhere, the price



And there is still land enough left for another state the size of Pennsylvania

of cultivated land rose during the war, and then dropped again; but, as raw land values did not rise so much, they are now showing a tendency to rise."

In citrus fruits and irrigation sections, there has lately been a very pronounced price increase—anywhere from 100 to 300 per cent.

"In general, twenty-five or thirty years ago, most Texas lands were in the form of ranches. Their present rise in price is due largely to the change from grazing to farm lands. From 1900 to 1910, Texas lands rose in value, as a whole, by 175 per cent. From 1910 to 1920 the increase was 98 per cent. But this does not mean that existing farm lands advanced that fast. It simply means that much of this rising price was due to converting ranches into farms. You can



A glimpse of the New Texas—recommended to anyone who thinks of Texas in terms of open spaces and of long-horn steers

understand this when you recall that thirty years ago much ranch land sold for twenty-five cents to \$1.50 an acre, whereas in many sections of the state this same land today is bringing \$20 to \$35."

M. H. Gossett, president of the Federal Land Bank at Houston, told me: "There has been more money loaned through the Federal Land Bank system in Texas than in any other state. Iowa, I believe, is next in volume. There is a gradual, healthy development of agricultural interest in Texas now."

Industrially, Texas long lagged behind other southern states. But of late her cities have grown faster, perhaps, than any others in the union.

The heart of Houston is as noisy as Forty-second and Broadway. Here seventeen railways converge. In Houston's new ship canal, boats from Europe, from the Far East and Latin America, representing two-score different lines, tie up to load and unload. Here is the greatest spot-cotton market on earth. Grain from the middle west pours through by train loads, to be embarked here or at Galveston. Oil comes in pipe lines, hundreds of miles long, from as far away as Montana. The new Sterling Hotel counts forty-three stores. Inevitably, Houston will be one of the great cities of America. Nothing can stop its continuous, rapid growth.

"Deserts" and Movie Sheiks

OVER the great Dixie, Ocean-to-Ocean and Borderland Highways, over the 180,000 miles of roads that cover Texas, a steady stream of motor tourists are passing from Corpus Christi and San Antonio out to El Paso. Lured by semi-tropic landscape, climate and sunshine, movie companies come now from Hollywood to stage their pictures in Texas. As I write this, Famous-Lasky Players, coming hundreds strong in special trains, are busy at San Antonio filming Herman Hagedorn's "Rough Riders"; and hard by another troupe, featuring winsome Clara Bow, is doing "Wings," a romance of the air.

Dallas, to an astonishing degree, is taking the distribution strain and congestion off of Kansas City, St. Louis and similar mid-western centers. Last year its wholesalers did \$800,000,000 worth of business! Here, now, literally hundreds of nationally known concerns have set up their own warehouses. The local branch of Sears Roebuck employs 3,000 people. Every day close to 200 loaded package cars leave Dallas, serving the 11,000,000 customers who live within a radius of 300 miles. One single structure in Dallas, the Santa Fe building, cost \$5,000,000, and on its roof is a grassy lawn and a \$100,000 University Club. And from the railway yards to its sub-basement runs an underground freight line, delivering goods to merchants at their very back doors.

The economic story of Texas falls into three big chapters: First, the early days of open cattle ranges; second, the agricultural

epoch, which Texas still enjoys, third, the industrial era, into which she is just entering.

Today the cow business is back on a sound basis. Grass is green and prices good. So much for it.

But over half of Texas people still live in the country. And over half the farms are run by tenants. So here, as elsewhere in the south, everybody's brain is bent on diversification—on achieving a better balance between farm and town earnings. Hear what Stuart McGregor, editor of the famous "Texas Almanac" and a student of farm economics, said to me: "Cotton brings money in the fall. But unless, also, farmers raise a good feed crop, the effect of cotton money tends to pass; a slump in farmers' buying power is felt in the spring.

Our experience here shows that in a year when we have a big feed crop, and a relatively smaller cotton crop, although we may feel the pinch a bit in the autumn, the next spring will show relatively better conditions. Take 1925: We had a good cotton crop, but a poor feed crop. So, say the wholesalers, business fell off. Why? The farmer came through the Christmas buying season and into the spring spending his cash but not keeping in mind that his granaries were not full—that later in the year he would have to buy feed.

"This year will be exactly the reverse. We had the slump early in the year, owing to low cotton prices. But we are conserving what cash we have and because we have a big feed crop, the farmer's buying power will be spread over next year, even in spite of the bad cotton crop. Diversification here—growing feed crops along with cotton—is our salvation. It's a fact, too, though not generally recognized, that cotton, while still of huge importance, is no longer the biggest thing in Texas.

"In 1926 our farm crops, all told, were worth probably \$900,000,000. Only about 40 per cent of this was cotton."

"The menace of surplus cotton," said A. B. Davis, manager of the Lubbock Chamber of Commerce, "does not worry us here around Lubbock. It costs us so little to grow it!

"Uncle Sam made a study of crop costs in seven of the chief cotton states. Research showed that here around Lubbock, in 1923, the cost per pound of lint was only ten cents as against fifty-seven cents in Lee County, Arkansas. The net cost per acre ranged from \$18.22 in Lubbock County, Texas, to \$50.97 in Johnson County, North Carolina. So, in spite of present low prices, we can still make money—in this section."

Cotton Milling to Come

THINKERS say inevitably a great cotton mill industry must arise here. "Twenty years hence the state should have 200 mills instead of 28," one textile man said; "New England used to say Texas was too far from textile centers, had no buying population, or distributing facilities, and therefore could never become a mill center. Now all that's changing. We are slowly developing a center of our own. All the rest of the South's getting industrialized; why shouldn't Texas? Now that we're getting more and cheaper power, more people and roads, we are slowly getting more mills. In 1900 we had 50,000 spindles; now we have

over 250,000. Counting hosiery, yarn, bleacher, mattress and other types of cotton manufacturing plants, Texas has over eighty such industries.

"Our labor, largely native, is eager to learn. When the new mills opened at Fort Worth to make cord tire fabric, more than 2,000 men asked for jobs. Many of these green hands were able, in two months, to do work which it takes a foreign mill operative a year to learn.

"Our textile school at College Station operates twenty-three looms on an educational basis.

"At Lubbock the Texas School of Technology teaches both wool and cotton weaving. It also trains young men as mill superintendents. You can see what the growth of textile business may mean to Texas when I tell you that if even one-quarter of our cotton were manufactured at home it would require 400 mills of 10,000 spindles each! Above all, Texans aren't depending on outside capital to develop this industry. El Paso built its own mills. At New Braunfels \$1,500,000 was raised, locally, to build a mill that makes rayon and gingham."

Scenery From Jail Windows

YOU can't help liking Texas. From the upper windows of El Paso's million dollar jail one gets a colorful, panoramic view of the vast, verdant Rio Grande Valley and the distant purple ranges of Old Mexico. "The best view from any hoosegow in America," a veteran jailbird proudly told me. At the Adolphus Hotel in Dallas a watchful Ethiopian fairly leaps at you, burning taper in hand, to give you a light as you turn from the cigar stand. He's hired to do just that. Even speed cops are kind. They smile, though they know you're lying.

"Go abroad for six cents," an El Paso tourist ad says, meaning the street car ride across the bridge to Juarez, where winter races, cabarets, open gambling and surviving American bar-tenders give a royal western welcome. Wherefore, as a gathering place for national groups, El Paso now lures every kind of meeting from cowboy unions to school teacher and tight rope walker conventions. Two hundred thousand visitors this past year!

Nor is humor dead. "How's business?" I asked an El Paso butcher. "I make plenty of money playing poker," he said, "but lose it all in the durn butcher shop."—"Limp in and leap out," says the friendly sign of a chiroprapist.

"Till two or three years ago," a Houston banker told me, "the hardest job Texas had was to make her rich men see her own industrial possibilities. We've lots of money here—probably twelve billions of wealth—and look at our \$974,000,000 bank deposits. Why, we could take fifty millions a year out of Texas' income and put it into industry without disturbing a single economic cross-section of Texas as she now is.

"However, more recently Texas has begun to show sure signs of an aroused industrial consciousness. There's no mistaking it—Texas is learning from Alabama, North Carolina and other industrial southern states. To Texas industry, the recent rapid growth of power plants is a tremendous encouragement.

Up in northeast Texas, or stretching from the Red River valley down to the Gulf, there's a lignite bed covering over 60,000 square miles. This field is richer than the Ruhr, scientists say. Dig a 40-foot well anywhere and you strike lignite. Often the vein is 14 feet thick. Here's enough fuel, figure fiends find, to last Texas 200 years, even if she burnt 8,000 fifty-ton carloads every day!

Lignite Now Replacing Oil

TILL about 1917 this coal was not much used, because fuel oil was cheaper. But about that time, oil jumped from \$1 to \$3.50 a barrel. So the Texas Light & Power Company turned to lignite development. Now it operates at Trinidad, in Henderson County, extracting some 25,000 tons a month. It simply scrapes off a few feet of upper earth, then mines lignite by the "strip pit" method.

"In our march towards industrialization, Texas has some real troubles to overcome," a Dallas engineer told me. "But I consider this start at lignite mining on a big scale the most important step yet taken. Let me explain: An eastern cotton mill wants to move here. What about power? Gas may play out. Oil? Yes, but you can't fix contract oil prices for longer than one year ahead.

"Lignite? The mill can contract for it at a fixed price for several years. Yet lignite mining, hauling and drying also present problems. Furthermore, Texas has bad boiler water. Good boiler feed water is very scarce. Too much mineral. To grow industrially, and reach a sound, permanent basis, Texas must use electric power. Power companies, in turn, must depend more on lignite, getting boiler water at favorable places, and then ship power by transmission lines to factory and urban centers.

A Story That Won't Condense

ITOLD Merle Thorpe, editor of this magazine, that I couldn't possibly crowd the story of Texas in a single article. The state's too big! Its railways would reach from Iceland to Tasmania. And it's still building—building more railroads right now than any other state.

To traverse its highways, a man in an automobile would have to run 200 miles a day for two and a half years, and on that long trip he'd burn 8,500 gallons of gas and wear out about seventy tires.

To clothe themselves, even in this mild climate, men and women of Texas spend \$200,000,000 a year in retail stores.

I sigh for space to sing of 5,000,000 long-haired goats, whose clip brings fortunes every year; of a \$680,000 pecan crop from the Butterfield orchard near Tyler; and of droves of turkeys, 10,000 strong, that march to market at Cuero every autumn; and of a giant grizzly, shot last week near Alpine.

I want to write about the miraculous artesian wells, whose constant streams mean more to Texas, in dollars and cents, than all the billions she's earned from oil; and about the flocks of west Texas windmills which a Boston tenderfoot mistook for "big electric fans, built to keep the kine cool."

But the editor said "space is limited"!

A Day in a Senator's Life

As Told by a Member of the Upper House to Robert B. Smith

ONCE A UNITED STATES Senator was asked:

"How much are you a statesman and how much an errand boy?"

He answered: "Ninety per cent errand boy and 10 per cent statesman, and maybe I'm overdoing the statesman."

Which upsets the idea of a senator as a person of dignity, holding solemn conferences with President and Cabinet members, rising Webster-like in the Senate Chamber and delivering profound addresses on the state of the Union.

That may have been an accurate picture in years gone by. But what does a United States Senator do to earn his wages these times? I put these questions up to one of the influential and active members of the Senate, chairman of powerful committees, and holder of important posts.

He answered by keeping a memorandum of all his activities on the day following. The difficulties of combining statecraft with the chores of workaday politics, are apparent at once. It is hard to get away from the conclusion that a Senator really works for his \$10,000 a year.

Here is his memorandum:

Arise at 7 a. m., bathe, shave, breakfast. No sooner do I dip my spoon into the grapefruit than the telephone begins to ring. A constituent who was vice-chairman of the Winnegashish county general committee during the past campaign and who expects to hold an equally important post during the next contest has just arrived in town on the Patronage Limited. He wants to see the President right off the bat. He also wants to know who is going to speak in the Senate, and he wants to get into the gallery. I tell him, of course, I'll take care of all his wants. I write notes to Rudolph Forster to look after him at the White House. Then I arrange for him to visit the presidential yacht *Mayflower*, and to go through the Government Printing Office. I tell him I'll meet him at my office later in the day to look after any other little wants he may have.

A Few Errands As I Go

THERE being no further telephone calls this morning, I get through my breakfast, climb into my car and start down town about nine o'clock. The first stop is at the Veterans' Bureau. There I inquire, "Where are the papers in the case of John Smith, who was gassed in the St. Mihiel offensive in 1918, and why is he getting only 75 per cent disability allowance when any one with a grain of sense ought to know that he is entitled to at least 100 per cent." They promise to get the papers and to get in touch with me later about it, so I move on to the Treasury.

There I call on Internal Revenue Commissioner Blair, to talk to him about a

Cartoons by Gluyas Williams

constituent whose automobile has been confiscated by prohibition agents after it had been captured in a rum case. I explain to him that the constituent is a school teacher who never took a drink in his life; that the automobile was stolen from him and used for this reprehensible purpose. Mr. Blair

will do. I leave the President a memo about it and ask him if he won't talk to Secretary Kellogg about it at that day's Cabinet meeting, so that he won't have any excuse to say that he forgot about it.

That important task accomplished, I leave for the Pension Office. A veteran constituent eighty-three years old, who served his country in the Civil War, is due for an increase in pension. He is not able to make the trip over to Summerworth, so I induce them to issue a special order to have the examiner go to his home to make the examination.

That's the last errand on the way to the Capitol. I arrive at my office and find the reception room filled with persons waiting to see me. They give me looks which seem to imply: "This is a pretty time for a United States Senator to be arriving at his desk."

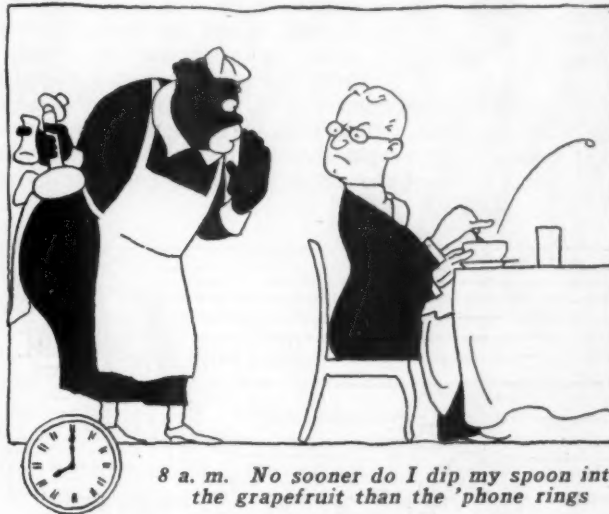
My secretary ushers the first of them into my office. They are sight-seeing visitors. I give them cards to the Senate gallery. I take the telephone and call up Rudolph Forster again to inquire whether the President is receiving that day. I find that he is, so I arrange an appointment for them to shake the executive hand. I

send them away with letters of introduction to Forster and a card entitling them to inspect the Booth relics at the Treasury.

Information Cheerfully Given

SENATORS get to be real sight-seeing guides after a few years in Washington. Without a moment's hesitation I can tell a visitor how to get to Arlington and what time the car leaves for Mount Vernon.

My office operates on the barber-shop-principle—first come, first served. A negro from Mississippi is next in line. He was a delegate to the first Republican convention and voted for Coolidge. He thinks he hasn't been properly rewarded for his ser-



8 a. m. No sooner do I dip my spoon into the grapefruit than the 'phone rings

kindly agrees to send a telegram to his agents about it. I bid him good-bye and hurry down to the State Department.

The purpose of my visit to the State Department is to endeavor to have them admit the sister of an Irish constituent as a non-quota immigrant. Her brother, I tell them, is amply able to furnish bond in his sister's case. I drop into the office of Wilbur J. Carr to inform him that I have three young friends who are anxious to get into the consular service. I ask him how soon there will be an examination, and will he be good enough to send them blanks to fill out.

The White House is next on my itinerary. As I walk into the executive offices I find the ante-room crowded with members of Congress waiting to see the President. I tell a secretary I've simply got to see the President for about thirty seconds in a hurry. He takes me around to the back door, and I go in.

The President listens attentively as I tell him of the great injustices being done to my state in the distribution of federal patronage. Then I break the news to him that I have a distinguished constituent who is anxious to serve his country in some diplomatic post. Any one that happens to be vacant now or in the near future



10 a. m. Persons waiting in my office show that they think ten o'clock is a pretty time for senator to get to work



11 a. m. When I start dictating, my secretary runs in frequently to ask important questions about punctuation and spelling

vices to his party, and wants to know if there isn't some job, preferably the post-mastership in his home town, open to a deserving worker like himself. I "lend" him \$5 and send him away happy.

The next gentleman introduces himself as "the man in the gray hat who was the first to shake hands with you after your speech in Kokomo in 1922." I remember him, of course. He has a case in the Internal Revenue Bureau; and his own senator hasn't been able to do anything about it; hence he appeals to me to do something. I call up the Internal Revenue Bureau, explain that I don't think it is functioning as a government bureau should, and ask them to see that the gentleman with the gray hat from Kokomo is well taken care of. That disposes of that.

Next an old campaign worker wants to know how soon we are going to begin doing a little work to bolster up the party in preparation for the approaching election. He suggests that this Coolidge prosperity is a bit spotty and that he ought to be employed to keep the party from sagging in those spotty spots. I dash off a note to Mr. James White and tell him what car to take to get to the Republican National Headquarters.

Another Seeking a Job

A WOMAN whose grandmother was born in my state appeals to me then to help her find a job. Her husband, a storekeeper out West, died insolvent. She heard Washington was the place to come for a job, and in view of her close connection with my state she thought of me first as the proper person to assist her. I assure her I will co-operate with the senators from her state in doing everything I can for her.

Then comes a boy from my home town who wants to study law. He has received a catalog which describes various plans for self-help for young law students in the District of Columbia. The catalog tells him how he can work at any easy government job during the day, earning enough money to pay all expenses, and then go to school

at night. I tell him he has made a great mistake about the abundance of easy government jobs in Washington, and explain that I may be able to get him something to do in the folding room.

With an air of disdain he replies that I don't seem to understand at all, that he wants to accept a position in the Government. In vain I try to explain to him the insuperable obstacles of the Civil Service. He answers that if I really wanted to get him a job, I could. I end the interview by promising to keep the subject on my

mind and communicate with him some time in the future. He leaves after giving me the distinct impression that all his folks will vote for my opponent in the next primary.



1 p. m. Influential citizen, seen in the gallery, must be invited to lunch, in all graciousness

A couple of newspaper men use up a little more of my time asking aimless questions about whether I think Borah intends to urge the Senate to ratify the Treaty of Versailles.

After I have given them some answer that will enable them to go away and write a column about it, I ring the bell and ask my secretary whether there is any one else waiting to see me.

He says: "No, only Mr. Soandso." I say that he can wait.

Then I ring for a stenographer and briskly begin dictating a few letters.

Before I have uttered half a dozen words, my secretary rushes into the room to inquire whether in addressing a certain gentleman I say "Dear John" or "Dear Mr. Skoopenbauer." I answer

"Dear Jack," and continue my dictation: "Mr. James W. Witherspoon, 'Hokus Corners, 'Oklahoosis."

"Thank you very much for your letter of the 19th instant.—"

Just then the telephone rings and a voice says: "Did you forget the meeting of the Committee on Indian Relations at 11 o'clock? We are waiting for you."

No More Dictating Today

I ANSWER, "I'll be there at once" and then resume dictating: "What's the last word? Well, never mind. I've got to go to the Committee on Indian Relations. I'll finish the letter later."

I rush over to the Capitol to the room where the Committee on Indian Relations is meeting and find that body engaged in a discussion of whether the pending subject should be referred to the Committee on Claims or kept where it is. Having cast my vote on that all-important subject, I go to the marble room to take a glance at the morning newspapers before the Senate convenes.

I find a prominently displayed editorial in a New York newspaper entitled "Must Smithers Be an Ass?" obviously referring to me; but just as I am about to read that interesting article, a messenger comes in and hands me a card. I go out to the lobby and am greeted enthusiastically by a gentleman who tells me that a little bill has been introduced in the House and that an old college friend of his said if he'd come to see me about it, I would be sympathetic. He wants to know if I won't go over to the House and help it along. I promise to do so if I can, and then don't.

The hour of twelve having arrived, I enter the Senate Chamber, take my seat, get prayed for, and then I sit watchfully alert through the morning hour, on the look-out for senators trying to get extraneous matter into the *Record*.

More pages arrive with more cards. I look them over carefully. One is beautifully engraved. I go to the lobby and



9 p. m. I try to evade a favor seeker. My efforts are unsuccessful

there I meet a fashionable and effusive lady who seems to know me well without my knowing her. She wants to get into the gallery and finds everything crowded except the space set aside for senators' families and diplomats.

In anguish I inform her that it is impossible for me to aid her in any way. She turns away scornfully and writes a letter to her friends in my state saying in effect, "What a boorish fellow you have for a senator!" and urging them to punish me on election day.

I return to the Senate in time to see the closing of the "morning hour" and then I go back to the lobby in response to more cards. A delegation has arrived to urge me to go to Central City to deliver an address on the occasion of the opening of the new Elks Temple. I tell them regretfully that I have already made an important engagement to speak to the Kiwanis Club at Zenith Falls on that date, and I suggest the name of a colleague who, I tell them, will make a polished orator for the occasion.

I make an effort again to answer some of my correspondence. My stenographer brings a bundle of letters from my office to the marble room, and once more I begin dictating:

"Mr. William Jones,

"Deering Center.

"Dear Bill:

"The Post Office Department is adamant in its refusal to extend R. F. D. No. 5. However, you may be assured that I will continue to make every effort until this matter is remedied. I consider it an outrage that the route should be ended at the fork of the creek when everyone knows it should be run beyond the cross roads. By the way, who is this person who is going to run against me in the primary?"

"Your friend."

A colleague comes forward at this juncture to tell me he has a little bill before the Indian Relations Committee to allow a claim of \$6,500 for "a poor devil who needs the money."

He asks me if I won't help it along and promises he will do as much for me when he can get a chance.

A Senator Wants Another Clerk

ANOTHER senator steps up just then to see if I can't get him another clerk on his pay-roll. With a primary coming on, the requirements of his office are expanded so that he can't get along without a larger clerical force. I tell him vaguely I'll see what I can do.

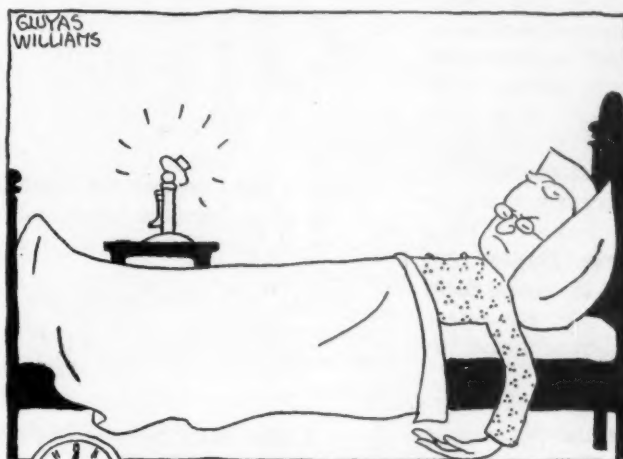
At 12:53 I drop into the Senate Chamber and cast an eagle eye over the galleries. There I see a very influential citizen from my state. I didn't know he was in town. I hasten to the gallery in person to invite him to lunch.

He accepts, and orders a very expensive

meal, while I lunch frugally on crackers and milk. He wants to know every one, and, of course, I have to introduce him to all the celebrities about.

Fighting for Delayed Action

I GET back to the Senate Chamber in time to hear a motion to proceed to the consideration of executive business. Committees are making favorable reports on many nominations and ask for immediate



11 p. m. or later. And so to bed, exhausted. Tomorrow I can do it all over again

consideration. I hear a name which reminds me that one of my constituents has written me to protest against confirmation, so I hop up to ask that action be deferred until I can make further inquiry.

The Senate adjourns. Back to my office I go to assail the mountain of letters that buries my desk. In vain I dictate to clear away a sufficient number to enable

me to see the top of my desk. It can't be done.

At 6:30 I figure I have already put in nearly ten hours, so I decide to close the office and call it a day. I start home only to remember that I promised to meet some gentlemen at the Army and Navy Club to discuss a bill which they may want me to introduce.

I go out to dinner and sit beside a lady whose son has just graduated from Yaleford University and wants to get into the Foreign Service. She informs me that he is a talented young man and would make a good counsellor of an embassy, preferably in some nice capital where she can go to visit for a few months every year. I get the point of her remarks and promise to do all I can for her son.

Evading Another Favor Seeker

THE DINNER over, I go into the smoking room, and there I recognize a gentleman for whom I promised to do something which had entirely slipped my mind. I try my best to evade him, but to no purpose.

He catches me, and I have a bad quarter of an hour explaining. We go back to the ladies. I give my wife the high sign, and we leave for home to rest my weary bones.

It takes me fifteen seconds to shed my clothes, and dive into bed. Just as I am falling into a doze the telephone rings. Warily I stagger to the 'phone. It's a newspaper man. He says:

"Senator, what's the situation on the World Court?"

"Oh, my God," I answer, "I didn't have a moment's time to pay any attention to it today."

Back to bed again. I murmur:

"That's over. Tomorrow I can do it all over again."

A Modern Romance of Gold

HO-HUM! Romance is dead. Certainly there is none in business in this humdrum age.

So? Out near Marysville, California, a drab business concern has been grubbing in the mud for nearly a quarter of a century. While the sunshine state has been sending outward annually something like 9,000 carloads of grapes, 8,000 cars of apples, 40,000 cars of citrus fruit—mile upon mile of groaning box cars—this company has been scraping with prosaic regularity for gold.

Dredge and wash, dredge and wash—a dull business, compared to the hectic days of Old California.

But let's see.

Pioneers and Gold Pans

THE leather-faced pioneer of heroic stature did the same thing. Only, he dug by the hatful and "washed" about as much dirt as would fill a horse-trough. In a day he could "wash" 4 or 5 yards; in a long, hard, back-breaking day, that is.

Where he once worked with his puny strength, electric volts snap miles through high-tension wires today to a barge on

which motors drive an endless chain digger of herculean proportions, whose buckets bite up nearly a yard of soil, at three-second intervals.

Three Thousand He-man-power

A POOR, dull business man has figured out how to make steel and electricity and water under pressure do in a day the work of *three thousand men*, the work of three thousand of the "he-est" men that have been portrayed for us in all romantic history.

And the result is gold, millions and millions of dollars worth of that inspiring metal.

Through what the floods had left of Poker Flat, made famous by Mark Twain and by Bret Harte, the steel buckets of the modern gold hunter ripped their way a little while ago.

The reward of the despoilers—users of electricity and cost accounting—was \$90,000 worth of bullion, a seven-day "catch" for this strange form of fishing in the river's bottom.

Still, this cannot be romance, surely; it does not swagger and use a six-shooter.

NATION'S BUSINESS

Published by the Chamber of Commerce of the United States

MERLE THORPE, Editor

Washington

February, 1927



Will Congress Please—?

THE CONGRESS now sitting must adjourn willy-nilly on March 4. There is not much time for action; there are many subjects which at any time may provoke interminable debate; there is a coming presidential campaign to be considered; *but*

If Congress wishes to return home on or before March 4 with the gratitude of American business, this magazine suggests that Congress:

Renew the charters of Federal Reserve Banks and broaden the powers of the national banks to make them more nearly equal to those of state banks.

Reduce the corporation income tax and repeal the inheritance and war excise taxes.

Place the foreign representatives of the Bureau of Foreign and Domestic Commerce on a definite and permanent status.

Ratify the Turkish Treaty.

Revise postal-rate legislation.

Settle American and German war claims and the return of alien property.

Change earlier legislation to facilitate railroad consolidation.

Remove restrictions that threaten termination of parcel-post convention with Cuba.

Business to Study a Neighbor's Business

A LAWYER AND EX-MEMBER OF THE CABINET,

A PUBLISHER,

A RAILROAD OFFICIAL,

A MANUFACTURER OF ELECTRICAL GOODS,

A PRESIDENT OF A MID-WEST NATIONAL BANK,

A MANUFACTURER OF FOOD PRODUCTS,

A MANUFACTURER OF AUTOMOBILES,

THE CHAIRMAN OF THE INTERNATIONAL ACCEPTANCE CORPORATION.

A representative section of American business! If the personalities are equal (and they are), to the posts they occupy, would not their opinion be worth while?

That list is the make-up by vocation of the Business Men's Agricultural Commission. It's all business; there has been no effort to make it a joint commission of business and agriculture. It was organized jointly by the United States Chamber of Commerce and the National Industrial Conference Board, but its report will be its own, uninfluenced by either body.

The members of the Commission are as vitally interested in the success and prosperity of American agriculture. Selfish reasons alone would make them eager to find facts and to suggest practical remedies.

The agricultural problem is compounded of many factors, all of which must be taken into consideration. Deliberate misunderstanding of motives, charges of bad faith, the arousing of sectional and class antagonism and the injection of political controversy for selfish ends only add to the difficulties that lie in the way of a solution. References to "grain gamblers" and "selfish business" fall from the lips of

the agriculturist with no better grace than the charges of "demagoguery" and "radicalism" from the lips of the business man. Resentment on the one side is no more reprehensible than indifference on the other.

So much for the type of men who have started this important study. Here are the men themselves:

CHARLES NAGEL, former Secretary of Commerce and Labor, chairman,

ROBERT W. BINGHAM, publisher of the *Louisville Courier-Journal*,

E. N. BROWN, chairman of the St. Louis-San Francisco Railway,

E. M. HERR, president of Westinghouse Electric,

JOHN G. LONSDALE, of St. Louis, president of the National Bank of Commerce,

JOHN STUART, president of Quaker Oats,

ALFRED H. SWAYNE, vice-president of General Motors,

PAUL M. WARBURG, chairman, International Acceptance Corporation.

So far the Commission has found an unexpected amount of approval from the press and an expected amount of disapproval from the supporters in Congress of the McNary-Haugen Bill.

It's an able commission, it's an independent commission, it's a commission which for selfish and unselfish reasons is as eager for American farm prosperity as the farmer himself.

Cats and Stove Lids and Prof. Ripley

A DISTINGUISHED business leader who is thoroughly familiar with public utility finance was talking of Prof. W. Z. Ripley's articles in *The Atlantic Monthly* on the shortcomings of corporations. Said he:

"Professor Ripley's articles undoubtedly did good—a great deal of good—but I think he violated a precept laid down by Mark Twain that you mustn't take more out of an experience than there is in it. You know, Mark Twain cited the case of the cat to illustrate what he meant. A cat that has sat on a hot stove lid, will never sit on a hot stove lid again. But the trouble with the cat is that thereafter it will not even sit on a cold stove lid.

"That's taking more out of an experience than there is in it."

What's Truth in Advertising

THE UNITED STATES Circuit Court of Appeals in setting aside the ruling of the Federal Trade Commission that the makers of Ostermoor mattresses must discontinue its familiar label, made an interesting comment on advertising.

The Commission had held that the label, which shows a mattress expanding when cut open at one end, was improper because it was not literally true, that it showed a greater spreading than would actually take place.

At the time Commissioner Humphrey dissented on the ground that advertising might exaggerate if it did not deceive the consumer.

The Circuit Court of Appeals agrees and is quoted in the newspapers as saying: "The time-honored custom of at least slight puffing, unlike the clear misrepresentation of the character of the goods, has not come under the ban."

How true must advertising truth be? Not, says the Court, literally true. Run over the advertising pages and see how much or how little they deviate from literal truth.

A tooth paste says "your smiles can always be bright and gay." Is any one reading that led to believe that the quality of his smiles will radically differ with a change of tooth paste?

A lead pencil declares itself "unequalled for any writ-

ing or drawing purpose." Unequalled is a strong, positive word. Must we take it at its full face value?

Or a coffee asserts that "those who tasted it once never forgot it." That advertisement could not pass muster with the Federal Trade Commission if it could find one lone soul who, having tasted that coffee, had forgotten it.

And what if the Commission should find just one discontented cow?

No, common sense rules advertising as it rules many things, but advertising has learned that exaggeration is a boomerang unless it is that harmless exaggeration which is only a sort of emphasis.

But this fact remains! Self-government is the best form of government for business. The best way for the advertising industry to escape the censorship which threatened it by the Federal Trade Commission's ruling is to avoid even the appearance of evil.

Stuff and Nonsense

IT IS A HABIT in some sections, a habit even of some chambers of commerce, to denounce "big business" as the enemy of the farmer; to say that banks and manufacturers and all those who make up the world of business chuckle with spiteful glee as the farmer's profits disappear.

A business man, whether he heads a bank on the wickedest corner of Wall Street or sells apples and stick candy on Main Street, would be not a knave but what is sometimes worse than a knave—a fool—if he did not know that farm prosperity spells prosperity for him, also.

How Alfred P. Sloan, Jr., of General Motors, who sells the farmer automobiles of all sizes, from a Chevrolet to a Cadillac, must hate to see a prosperous farmer! How Owen D. Young, of General Electric, must grieve at the sight of an electric-lighted farm house! How C. M. Woolley, of American Radiator, must shudder at the idea of a farmer having a central heating apparatus! And how firmly fixed is the idea of General J. G. Harbord, of the Radio Corporation of America, that the radio should be confined to our urban population!

Business, big or little, the enemy of agriculture! When the next farm agitator ascribes sinister motives to a business man who doesn't agree with his particular form of relief—oh, say to him, stuff and nonsense.

On the Purchase of Happiness

EDITORS are casual readers of periodicals. They read sometimes "to see what the other fellow has"; sometimes in the search for suggestions.

So it happened that two apparently contradictory paragraphs caught the eye in one morning's reading. Writing in the *New York Times*, H. G. Wells says:

"Riches," we all say, "cannot buy happiness," and it seems hardly to touch that statement that there are hundreds of thousands of people in the completest enjoyment of existence who would be cripples or dead if they had not been able to command the services of expensive surgeons, undergo costly treatments or take imperative holidays at this or that crisis in their careers. In any other age, under any available conditions, they would be cripples or dead.

In *The Atlantic Monthly*, President Bernard Iddings Bell, of St. Stephens College, makes this assertion:

Happiness, which is what all men desire, cannot be purchased, but is an illusive something not for sale.

Happiness may lie within us. A man with a full

stomach may be unhappy. No one questions that, but it is hard to think of a starving man as happy.

None of us would try to measure happiness by a yard stick of possessions or of physical comfort, but possessions and comforts do aid in making for happiness.

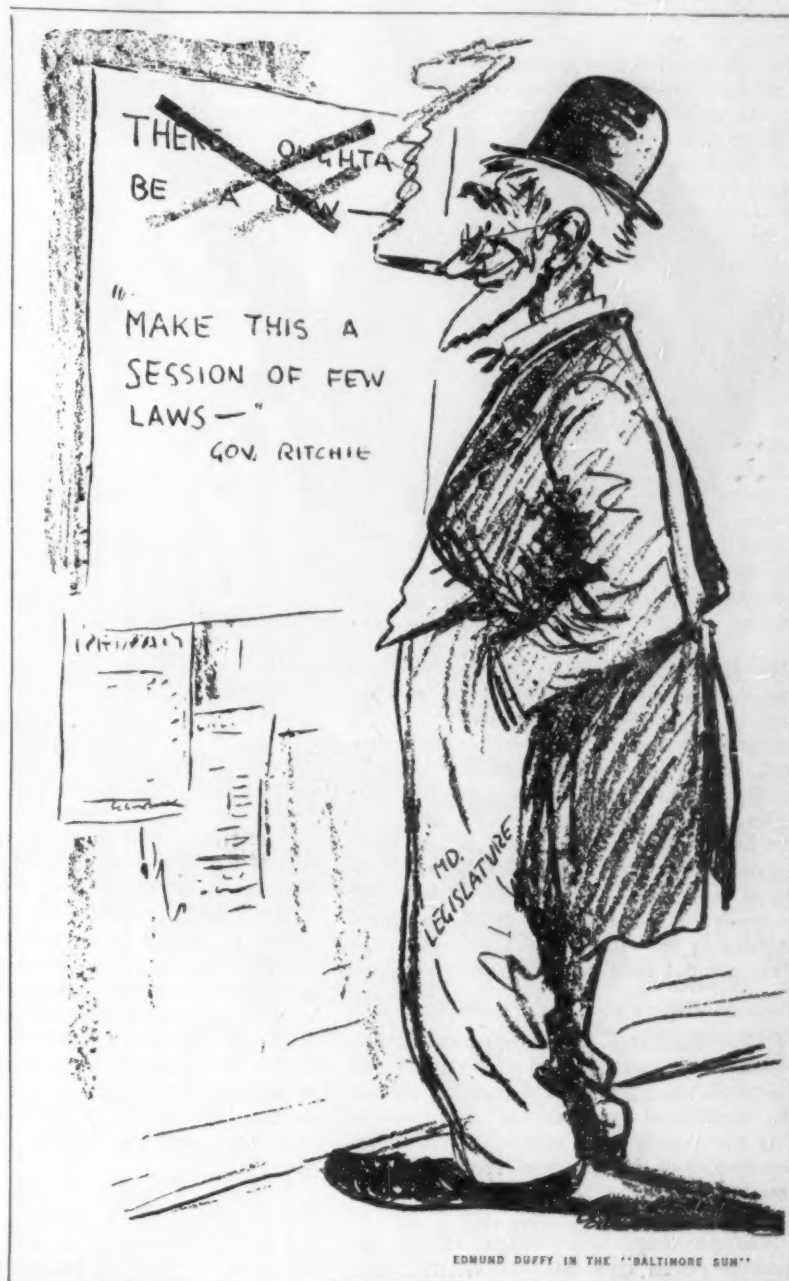
What has all this to do with the nation's business and NATION'S BUSINESS? This—that modern industry, with its mass production, putting luxuries and comforts into the hands of the many, has worked for the world's happiness; and to that extent happiness is purchasable.

Happiness doesn't hang on steam heat, roast beef and bath tubs, but a clean, warm and well fed body is one step towards happiness. If that be gross materialism, make the most of it!

Wooden Overcoats of Tomorrow

A VISITOR, talking of the new competition, hazarded the statement that in time wood may drive both cotton and wool out of business, as it has, in the form of rayon, already threatened silk.

Familiar slang is the expression, "a wooden overcoat," for a coffin. Perhaps we shall soon have wooden overcoats an actuality.



Ethics—Medical and Otherwise

By **MORRIS FISHBEIN, M.D.**

*Editor of The Journal of the American Medical Association
and of Hygeia, The Health Magazine*

Illustrations by **A. E. Kromer**

THE PHYSICIAN, if he is the graduate of a reputable medical school, has perhaps been told again and again, by preceptors and teachers, that his is a profession of service. No doubt, the examples of sacrifices observed in clinic, dispensary and out-patient departments have impressed this conception upon him even more. With his diploma, he receives an address on high aims and service and a copy of the "Principles of Medical Ethics" of the American Medical Association. Possibly he lays aside the

frequently that physicians give gratuitous service also to all members of his immediate family and the families of his more distant relations.

He is certain that the principles prevent another physician from "stealing" his patients, and he is not infre-

quently that physicians give gratuitous service also to all members of his immediate family and the families of his more distant relations.

often and better than do the public. After all, the greatest prize that a physician can secure is the esteem of his fellow-craftsmen, not the easily procurable flattery of the credulous public.

The public seems to believe there is no way of telling a good physician, an ethical one, or a scientific one from an unethical or an ignorant one. In many instances, public judgment is based on the kind of car he drives, the church he attends, the social position of his wife, his whiskers, or the protuberance of his abdomen. Frequently, a 48-inch waist measure is taken as the equivalent of a 48-caliber brain. A man may be a good Elk, a first-rate Shriner, an excellent grand sachem of the Red Men, own his own home and be considered a remarkable doctor, and still not be able to tell whether a sinking pain in the pit of the abdomen is due to an inflamed gall-bladder or a gastric ulcer.

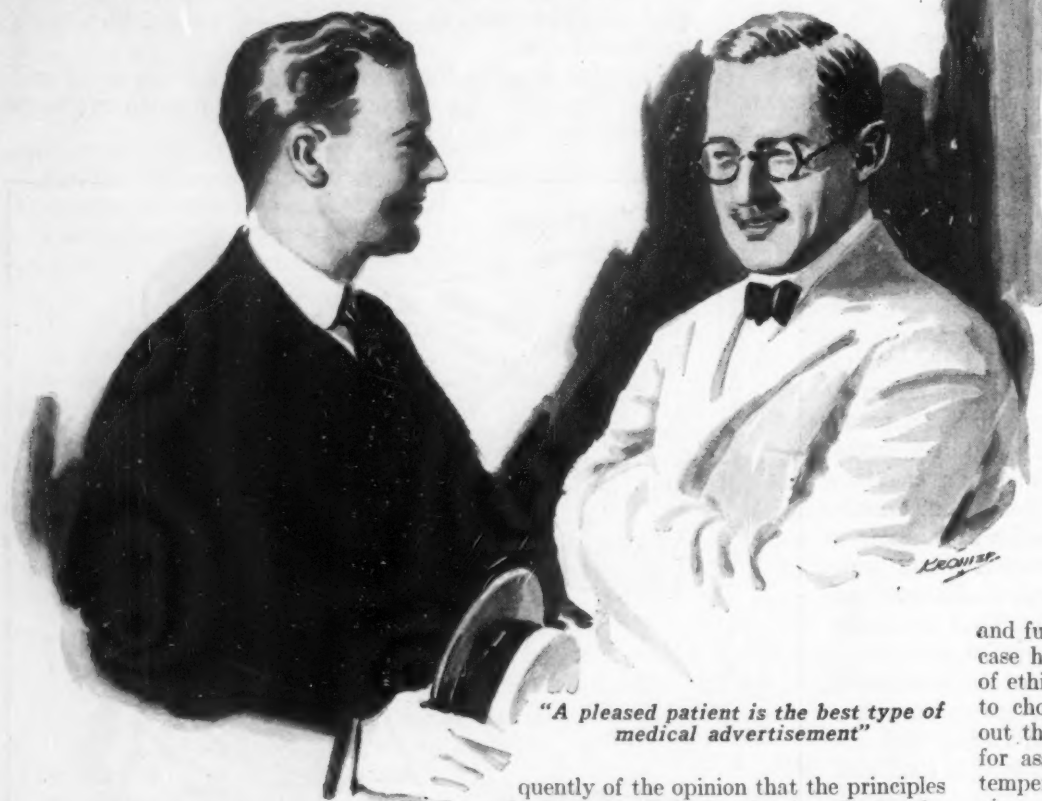
The principles of ethics now official in the American Medical Association are a gradual evolution of a series worked over and developed through many years. It is significant that the work emphasizes, first of all, the duties of the physician to his patient. These duties include service as an ideal, patience and delicacy as highly desirable qualifications, and full assumption of responsibility once a case has been undertaken. The principles of ethics emphasize that a physician is free to choose whom he will serve, but point out that he should respond to any request for assistance in emergencies or whenever temperate public opinion expects the service. Many a great merchant made his success on the same factors.

The second chapter is concerned with the duties of physicians to each other. The physician is told that he must be an honorable man and a gentleman, that he must conform to a high standard of morals and uphold the dignity of his profession.

Shall the Doctor Advertise?

THEN comes the question of advertising. The solicitation of patients is unprofessional. The section dealing with this question is explicit, covering every possibility and leaving little doubt as to interpretation. But when all is said, the conclusion is actually that a man ought to conform to the customs of the community in which he lives. If it has been the custom to publish a business card in the country newspaper, the physician may do so; on the other hand, if this is not the custom, he may not do so.

The principles of ethics protect the individual physician against the commercial group by stating that no group of physicians, organized, as a corporation, may do any type of advertising that is not per-



little book to read after the celebrations and examinations associated with this period in his career have ended. Then he embarks on his internship and, following that, enters medical practice. But he is hardly likely to consult the booklet of ethics again unless invited to speak on the subject before some organization, or until some occasion arises in which he believes his rights may have been transgressed. Then he sends for a new copy, only to find in all probability that the things he thought were there are not really there at all.

Ethics for the Patient

THE AVERAGE man believes that medical ethics were developed primarily for the physician, and with but little regard for the interest of the patient. He believes that the physician is compelled either by this system or by some legal requirement to come to every patient every time he is called.

The physician believes frequently that medical ethics demand that other physicians treat him at any time and to any amount without exacting a fee, and not in-

quently of the opinion that the principles of ethics were formulated primarily for the protection of the rights of the individual physician rather than for the rights of the group.

Results Measure the Man

IN OTHER words, the physician is first and foremost a human being with all of the failings of human beings in other businesses and in other professions. He is likely, if he is that kind of a man, to think first of "number one." He may, if he has the instincts of a miser, put receipts above service. He may, if he is naturally quarrelsome and antagonistic, be constantly at outs with his colleagues and his patients. Yet, if he has obtained a reputation for master ability in diagnosis, in surgical technic, or in medical treatment, he may continue to have a tremendous practice and to maintain this practice against constant opposition.

In medicine, as in all other professions and trades, results count. Fortunately, the men who are great in medicine are also likely to be great in heart, great in mind and great in spirit; but there are exceptions, and physicians know of them probably

mitted to the individual. The difference in point of view here emphasized between medical ethics and those of business is clearly apparent.

Medicine has for years depended for its success on the personal relationship between physician and patient. The great leaders know that the maintenance of this personal relationship is essential. Hence, every phase of the principles of ethics is planned to protect the rights of individual physicians against any group of physicians with the commercial ideal primarily in mind.

It has been said that John Wanamaker and Marshall Field owed their successes to the idea that the customer is always right. In other words, the purchaser must be pleased, and he must be protected not only from the deceits of salesmanship but against his own folly. This, after all, is the type of personal relationship which must exist between the physician and his patient. A pleased patient, as the principles of ethics repeatedly state, is the best type of medical advertisement. Just as the old law of *caveat emptor* no longer prevails in modern business, so also do the principles of medical ethics proclaim "It is unprofessional to promise radical cures; to boast of cures and secret methods of treatment or remedies; to exhibit certificates of skill or of success in the treatment of disease; or to employ any methods to gain the attention of the public for the purpose of obtaining patients."

No Secret Nostrums Used

THE ETHICAL physician will not prescribe or dispense secret medicines or other secret remedial agents. The analogy of this part of the medical code to the best type of modern business is perhaps the statement in the advertising of clothing of the percentage of wool or cotton which makes its content. It is similar to the clear statement on fabricated silks that they are not actually silks.

The principles of ethics were set forth not as a threat but as an inspiration. Just as there are merchants who by their nature rejoice in the shrewd deception of the ignorant customer, just as there are egoists in the control of manufacturing industries who do not hesitate to place their personal wishes above the good of all, so also there are in medicine physicians who feel that their judgment in the matter of prescribing remedies is better than that of the Council on Pharmacy and Chemistry, appointed by the American Medical Association to establish what is sound and reliable in new remedies.

The fault is not in the principles of ethics; it is in the character of the men who have failed to be inspired by the ideals and the high principles of their leaders. One might indeed quote Shakespeare when Cassius is made to say, "The fault, dear Brutus, is not in our stars but in ourselves."

A patient lay seriously ill, his physician gave a sad prognosis and, after giving somewhat explicit directions as to his conduct, asked, "Now, is there anything else that I can get for you?" "Yes," said the patient weakly, "another doctor."

From time to time, the official representatives of American medicine have debated

the question of consultation, bearing in mind that the interest of the patient is paramount.

Section one of this portion of the principles does not equivocate. "In serious illness, especially in doubtful or difficult conditions, the physician should request consultations." And it continues, "In every consultation, the benefit to be derived by the patient is of first importance. Time and again physicians argue the question as to consultation with irregular practitioners, or those devoted to the tenets of some sectarian practice or cultist system. The principles of ethics are not specific on this point, but there is a section devoted to the honor of the profession, which says: 'A physician should not base his practice on an exclusive dogma or sectarian system, for sects are implacable despots; to accept their thralldom is to take away all liberty from one's action and thought.'"

Honest Practitioners and Quacks

THERE are many physicians who refuse to recognize cultist practice, even to the extent of giving aid to a patient while the patient is still under the care or control of such a practitioner.

There are others who do not hesitate to come in and give advice to patients who may be under such care.

Above all, the physician must consider the good of the patient.

There are physicians who are careful to inquire of the patient as to whether or not he has seen a previous consultant and as to the opinions of the ones first consulted; there are others who are not

the merchant must apply the same motto to the type of customer who shops too insistently and whose bills are likely to remain unpaid.

The principles of ethics recognize the fact that the medical diagnosis is usually paid for insufficiently in comparison with the reward of surgical technic. "The patient should be made to realize," say the principles of ethics, "that a proper fee should be paid the family physician for the service he renders in determining the surgical or medical treatment suited to the condition, and in advising concerning those best qualified to render any special service that may be required by the patient."

What the Doctor Owes Society

THE THIRD phase of the principles of ethics is again a recognition of the duty of the physician to the public. He is asked to remember that he is a citizen and to aid in enforcing laws and in giving advice concerning public health. During an epidemic, he must continue his labors for the alleviation of the suffering, without regard to the risk of his own health or life or to financial return. He is asked to warn the public against the devices practiced and the false pretensions made by charlatans, and he is told finally that these principles do not cover all of the obligations which he may have, but are wholly a guide which will supplement the ordinary conduct of a gentleman and the practice of the

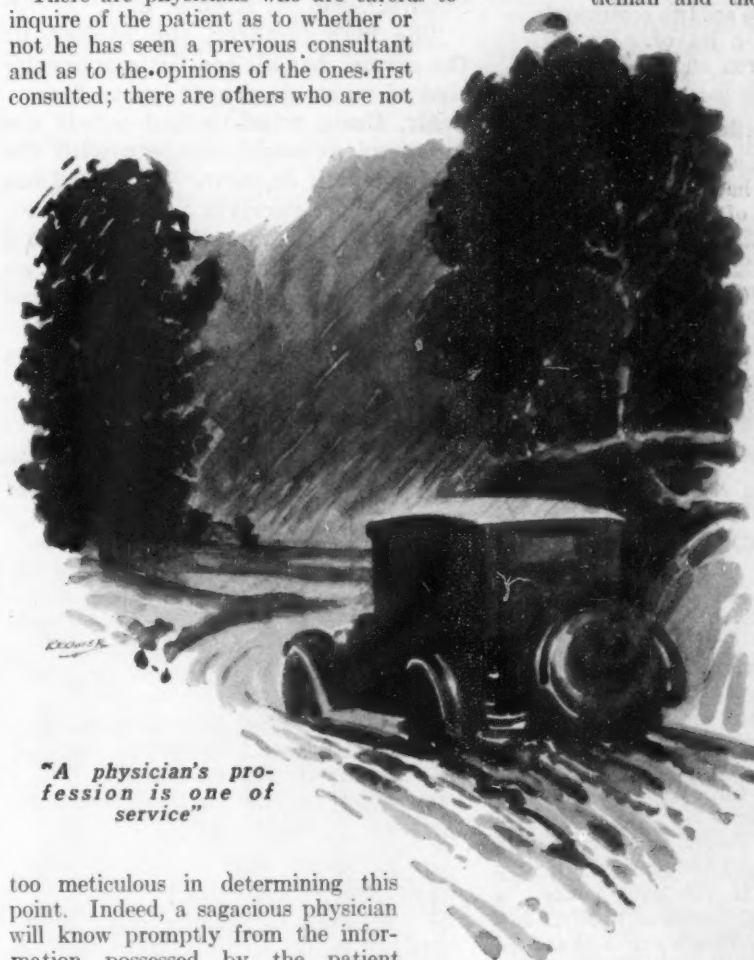
Golden Rule.

The last sentence reads, "Finally, these principles are primarily for the good of the public, and their enforcement should be conducted in such a manner as shall deserve and receive the endorsement of the community."

Fellowship in the American Medical Association is contingent on the possession of this membership.

The Association maintains a Judicial Council which carefully considers complaints brought against any of the fellows or members for infractions of any of the principles of ethics.

But the number of complaints brought and the number of physicians expelled from fellowship or membership each year is surprisingly small!



"A physician's profession is one of service"

too meticulous in determining this point. Indeed, a sagacious physician will know promptly from the information possessed by the patient whether or not he has been informed elsewhere concerning his condition. One is almost prompted to suggest that in these instances the wise physician will bear in mind the motto "*caveat venditor*," just as

"My Grocer Knows His Onions"

SUPPOSE an independent grocer moved into the same block with three chain groceries. Suppose there was a chain drug store on the corner.

What would be the result if this should happen in an average suburban community of an American city of a half million or so?

I know one who did just that. He chose a spot where competition was as keen as it could be, and he is making more money than the three chains put together.

Just how does he merchandise his goods so successfully? What is his secret? And is it a private system, or would it hold true for the average retail food dealer throughout the country? Do the same rules apply to all retailers? In response to these and other questions he talked about his business and outlined the problems that were in the back of his mind while we sat in the rear of his store, watching his clerks meet the trade.

"The chain store is the real bugaboo to the independent, offering eternal price competition," he said.

"Still, it is competition which can be met successfully. The chain sells on price. That is its first and last appeal. We sell service and quality as well as groceries, and those are two commodities the public wants a lot of. We even give the chain a run on price in many instances.

The Battle Begins

"WE CHOSE the site purposely. The chains had stamped the district on the minds of the buyers as a retail section."

He continued:

"The best way we have found to take customers away from these chains is to keep a more attractive store. The more appealing you can keep food articles, the more you are going to sell. This is particularly true of the perishables. They must have a fair chance. Then they help to sell themselves.

"The chains are clean enough. We try to be just as neat, and to go a step beyond, and add attractiveness, and even beauty.

"Most of our customers at some time or other use the telephone in ordering—some of them regularly. Yet before they begin ordering by phone, they have to be 'sold' to give us their business; and the best 'selling talk' I ever found is a fresh-looking, appealing layout of goods. The whole aspect has to please. When a woman walks into a store for the first time, appearance makes an impression on her.

"We watch the chains' prices closely, in their advertising, and keep ours down very close to theirs. If you ever noticed, a chain store's prices fluctuate widely. My neighbors may advertise a standard canned peach at just what it costs them. When a woman buys a can from them, that stamps it in her mind that they sell canned peaches very reasonably. The next day they may raise their price a few cents, but those who bought on the bargain day keep

By WILLIAM BOYD CRAIG

the impression that they bought cheaply. To meet that, we put the price on that same canned peach a cent higher than their lowest, and keep it there all the time.

"We can do that if we can buy that peach for a low enough price. Right there is where the independent grocer's hardest problem comes in. His success is in direct ratio to his ability as a buyer. He has to 'shop' more carefully than any of his fastidious customers ever do. We go to market ourselves every morning, starting about four. Farmers, commission merchants,

cases we buy from manufacturers direct. We don't do as much buying for future delivery as we did

"We are lucky to be in that position. I have a cousin in Philadelphia who runs a haberdashery. In September he buys underwear for spring and summer. He has to guess whether two-piece or union suit, web or broadcloth, will be in demand. An element of chance enters in the fall fluctuations of cotton prices. Now when we buy prepared cereals, for instance, we don't have that to contend with. What buying we do in advance we are pretty sure of. Coffee stays in style despite the seasons.

"Wholesalers are a little more anxious to please us than they were five years ago. They willingly make any changes or adjustments in orders today, where they formerly did it grudgingly or not at all.

The Wholesaler Is Hit

"HAND-TO-MOUTH buying by retailers has the manufacturer worried, or at least, anxious. The wholesaler feels it, too, for the manufacturer wants him to buy more, and the retailer wants to buy less. We don't like to keep a cent more tied up on our shelves than is absolutely necessary. The chains have made it a lot harder for the wholesaler, they tell me.

"To get back to the selling end of the business, we are fortunate in that we do not have a serious credit problem with our customers. In one period recently we sent out bills amounting to \$150,000 and lost \$400, and \$300 of that was to a man who was stricken with paralysis and had three kids to feed. When you think that some of the largest steel companies have a credit loss of from 1/2 to 2 per cent, you see how remarkable that is. When we shut off a man's credit, we know that we are going to lose him, so we get a good report on each individual before granting credit. The great majority of our credit customers own their homes, which is a happy condition for us.

"We have a fine staff of clerks. That is no accident. You might think the incentive would be greater to work for a chain, where a hustling clerk could work up to be manager of his own store, with the added bait of a commission on certain sales.

"The answer to this, which seems a riddle to some, is that there is plenty of opportunity for the individual to rise financially with us. We pay more than the chain does, and that is pretty generally the case throughout the country. Forty dollars a week is a fair wage for a clerk, and we have one at forty-five and one at fifty. The fifty-dollar man has been with us two years. He started at thirty-five, and we just signed him to a five-year contract, with a thousand-dollar bonus each Christmas, at fifty a week. He made himself so valuable in the two years he was with us that we felt that we did well to sew him up for the long period. It has been our experience that there is no such thing as a bargain in human labor. If the money and the chance

THE AVERAGE life of the grocery store of the country is seven years. Why?

Most men wonder why any one wants to go into the grocery business when the cards seem stacked against him. Men are inclined to put down the causes of grocery store failures as the insurmountable hazards of business, and let it go at that.

The manufacturer, the banker, or the farmer has all too little appreciation of what his grocer has to face.

Mr. Craig tried to find out if the independent could compete with the chains and if so, how. He found the way a grocer survives and prospers.

His intimate interview will have a familiar ring to retailers, and, we hope, will also give the man who buys groceries some food for reflection.

This is the first of several articles on retailing.

—The Editor

wholesalers and manufacturers are our sources of supply.

"Of the two sides, buying and selling, we find that it takes a lot more mental alertness to buy intelligently. There is a good bit of bargaining with the wholesaler on the subject of discount and free case lots. When the manufacturer of canned soups, we'll say, makes a big drive for production, following a plentiful harvest of tomatoes, he will make the wholesaler such attractive large-lot propositions that he becomes overstocked.

Careful Buying, an Art

"THEN the wholesaler will possibly offer me the usual discount per hundred cases and a free case with every ten, instead of with the usual twenty-five or fifty. By watching for just such instances, we can buy just about as well as the chains can, even though independents are not allowed to club together in their buying as the chains do. In some

for more isn't there, neither is the work that the man should do.

"The big incentive that drives every real grocery clerk ahead is the dream of owning his own store. The independent really has the advantage over the chain in this respect, for we can take a good clerk away from the chain at any time by giving him more money, and the desire to own his own store is stronger than the urge to be a manager for some one else. Again, we pay the average clerk more than the chain manager gets, and we believe this is true throughout the country generally.

"Sometimes we get a valuable tip from a customer on what to sell. One day when we had been here about four months, a woman said to me, 'If your store was only more like the market, I'd do all my buying here.' That started me to thinking. If she felt that way, how many more did? I added eighty lines of perishables that month—June, I think—and tried a lot of new meat lines. I kept adding new fresh goods all summer, and have kept more to the market type of store ever since. That was one of the biggest changes in policy I ever made, and it certainly paid. A customer only asks for an article once, and we get it, if at all practical.

"The community really determines what we carry, you see. We are more fortunate than some, for this community is right 'solid' in the sense that the floating population is small.

Some Women Want Help

"SOME women welcome suggestions when ordering, especially if it is for some special occasion that they're buying. Getting variety into the menu is a problem to some women, and they seem glad when we tell them that we have something just in that is seasonal.

"Some women, on the other hand, will resent being advised in their selection. Taken all in all, people know what they want when looking for food. The women do, anyhow.

"Knowing the people you are selling to is a great help. One of the good women of the community did her shopping in person the other Saturday, and she sort of hesitated in her ordering. She was planning a light supper for Sunday evening. I ventured to help out with a few suggestions, and it worked. Her husband likes oysters, so I mentioned the fact that we had some choice ones, just in. In the end I sold her about \$3.00 worth of goods she hadn't thought of when she came in. There is at least the possibility of that in every sale.

"Women usually like cut prices. The department store is probably responsible for establishing this preference as a buying habit. So we cater to their desires, in form at least, by marking an article on the odd cent when possible. Twenty-six cents suggests a mark-down, though it may be the opposite. If the price drops, it drops to twenty-three or four cents, not to twenty-five.

"Advertising, good as it is at pulling the cans and bottles off the shelves, plays some odd tricks, too. One woman wanted a can of well-advertised tomato soup the other day. We were out of that brand but had the soup in another slightly less advertised

brand. She looked at the can; it didn't seem familiar. She then took consomme in the brand she asked for first. And so it goes.

"Then there is the case of the English family who lived about four miles away. Having a regular customer that far from the grocery store is unusual. They are regular customers because they were so pleased to find that we carried a fine Orange-Pekoe of a highly specialized, perfumed sort. They had been to the Orient—Hong Kong—when he was attached to the English Army, and both had right educated tastes for tea when they came to this community. Funny, but we had that tea by accident. We got it by mistake from a jobber who went out of business before we could return it. They were so tickled to find that I kept that brand that we have had every dollar of their trade since, and that was several years ago. They had stopped in with one of my regular customers, and asked what kind of tea we had.

Ginger Ale and Prohibition

"POPULAR products change with the times. Prohibition has had some odd results. Take the ginger ale popularity. It is probably the national drink now. Five years ago we sold possibly five cases a week in the middle of the summer. Now we will sell fifty a week in the same period and probably a dozen cases a week the year round. That sounds as though the people around here consumed a lot of gin, but I don't think that's all that accounts for it. Advertising is a strong factor in its popularity.

"You may have noticed that its hard to find a can of Tuna fish nowadays. The source is disappearing. There is a shortage of Yellowfin Tuna. One of the largest of the packers was reported as only making a 15 per cent delivery. It became so popular in the last few years that the supply is almost exhausted. The price is more than doubled. The price of salmon also is going up. And just before the new catch comes in it is a hard article to find among the wholesalers.

"A food article that delicatessens did much to popularize is mayonnaise. Its popularity, on the other hand, cut into the sale of the ingredients from which the

housewife made her own mayonnaise a few years ago.

"There are some peculiar ideas about the selling of certain articles. Take the case of sugar. There is no real reason why a grocer should expect to make no profit on sugar except that it is a habit, and it is a custom that the whole country expects. It is a service the grocer performs for his customers but the customer seldom appreciates.

"On the other hand, a bargain in sugar, say 20 pounds for a dollar on an occasional sale, is a delight to some of the good ladies of the neighborhood. And when you have them thinking in such large terms you can sometimes sell them a dozen or so assorted cans for their company shelves, or a bushel of spuds, or a gallon of syrup.

"I like to wait on the youngsters who come into the store myself, even if they only want a loaf of bread. I try to make the experience a pleasant one. From a business viewpoint that's a good idea. Habit is strong in children. If they recall the last experience at the store was not all drudgery, they will be willing to return without as much parental pressure. It takes a little longer to fill a child's order sometimes, particularly if he has no list, but most women are human enough not to mind waiting the second or two longer that a kid takes.

"The weather doesn't affect business particularly, except prolonged wet or dry spells.

"Some women like to do their shopping in person and buy more conservatively over the phone. There is one woman who always buys at the chain store next door on good days, but when it rains she condescends to call us on the phone because we deliver. Still I don't pray for rain when I go to church.

Women Want Real Service

"NOW and then a woman will cause a little unpleasantness in her zeal to return some article and get her money back because she is dissatisfied. Last summer one brought a leg of lamb back and demanded her money because it had a government stamp on it. Words are wasted on such customers so it is quickest and best to return the money without argument. Another woman wanted to return a fruit cake after Christmas because she did not like the woman who had given it to her.

"The man of the house takes the greatest interest in two articles of diet—his coffee in the morning must suit him and the steak and chops or other meat must hit the spot at his dinner."

As we walked toward the door, he called attention to the neat glass cases with frosted pipes inside, which gave an appealing setting to the contents and to the vegetables displayed on white tile. Turning around to view his store as a whole, it was easy to see that he had made a real achievement with an attractive, well arranged organization, and as I walked out the door my final impression was of a finished and inviting window display. The cards seemed stacked against him when he moved in, yet he is winning. Boiled down and summarized, his secret of success is an old one—brains plus work, or as he said, grinning, "We've got to know our groceries."



Weeding Out the Worthless Driver

By A. B. BARBER

Manager, Department of Transportation and Communication, Chamber of Commerce of the United States

"AS I DROVE over the crest of a hill I was thinking about a contract which I had just signed and did not notice that at the foot of the hill the road changed from macadam to loose gravel. Fortunately my luck was with me and I was able to bring my car through without turning over.

"This was not the first time, however, that I had had such lapses, and I then and there came to the conclusion that, while I could handle a car skilfully enough, I was nevertheless an unsafe driver. Since then my practice is to walk when I cannot get someone else to drive me."

A leading automotive engineer made this statement. It's one way in which our highway safety problem might be solved, but, alas, it will not work with the masses of our population. Self-regulation by the individual is too much to ask, for it doesn't apply to the reckless and incompetent who form only a small part of the driving public but cause more than 90 per cent of the accidents. They must be weeded out, for they are costing us 25,000 lives a year in addition to 750,000 serious injuries and a billion dollars in property damage.

Police to Protect the Public

AUTOMOBILE regulation is a new task, but its basis is the state motor vehicle law and the administrative machinery to administer that law. The motor vehicle law has two major purposes—to safeguard life and property by the regulation, discipline and education of motor vehicle operators and to secure revenue for repair and replacement of state roads through collection of license fees. While the revenue-producing function is important, the police function is more essential.

All the states have some form of motor vehicle administration ranging from mere registration of the vehicles to complete systems providing for registration and titling of vehicles, licensing of operators and chauffeurs, and enforcement of the motor vehicle laws and regulations by a state patrol. In some states the work is handled by a separate department or bureau, while in other states the Secretary of State or some other existing official administers the law. In Montana the warden of the state penitentiary also serves as motor vehicle administrator.

As a general proposition it is in the northeastern states, where the automobile problem has been with us longest, that the drivers' licensing system has become a well-developed institution. Here the need for cooperation among motor vehicle departments became evident several years ago and resulted in the formation of an Eastern Conference of Motor Vehicle Administrators. A member of this conference, referring to the drivers' license system, recently said: "Since we began to examine all applicants we have had the general public solidly behind us favoring the stricter methods of issuing licenses."

Operators' licenses serve as identification tags for individual drivers just as registration plates do for the car or truck. Among

other things they serve to eliminate uncertainty in the record system. This system shows which operators are habitual violators and makes it possible to put them on probation or to rule them off the highways.

The need for such action is evident from this typical record of an habitual violator:

DATE OF ARREST	OFFENSE	DISPOSITION
Aug. 12, 1921	Passing auto at intersection	\$5 forfeited
Aug. 12, 1921	Speed	\$10 "
Feb. 23, 1924	Speed	\$50 "
Aug. 1, 1924	Speed, 28 miles	\$10 "
Aug. 1, 1924	Passing auto at intersection	\$5 "
Nov. 1, 1924	Unnecessary noise	\$5 "
June 8, 1925	Speed, 40 miles	\$25 fine
Nov. 19, 1925	Reckless driving	No papers
Mar. 23, 1926	Speed, 32 miles	Dismissed
	(Second offense)	
May 5, 1926	Passing street car	\$10 fine
July 21, 1926	Assault on policeman	\$100 "

In such cases the operators' permits are revoked, and new permits cannot be issued until after at least one year, when these men must pass a special examination and show evidence of improved habits. Many of them do not wait to apply but move to states where organized control of motor vehicle operators has not yet been set up. This may partly explain the fact that the records show the accident hazard to be 25 to 30 per cent less in states with modern traffic laws and effective traffic departments than in other states.

Many Permits Revoked

TO SHOW something of the workings of the system a few statistics as to suspensions and revocations may be of interest. During the first eleven months of 1925, in the State of New York, the commissioner of motor vehicles suspended 11,457 and revoked 6,316 licenses. The principal causes for the suspensions were: Reckless driving or speeding, 3,455; accident resulting in injury to a person, 1,513; charged with intoxication, pending prosecution, 979; charged with homicide, 839; permitting unlicensed operator to drive, 504; charged with leaving scene of accident, 370. Failure to file bond of taxicabs was the principal cause of revocations, with a total of 3,650. Operating while intoxicated resulted in 1,641 revocations, while leaving the scene of accident, reckless driving and speeding contributed smaller numbers.

That forfeitures of licenses are not based on snap judgment or inadequate information of the motor vehicle administrator is indicated by the records of Massachusetts, which show that, of 16,249 drivers whose licenses were taken away, 8,331 lost them after investigations, 7,032 after convictions, 592 from police complaints, 225 from constabulary complaints, and 69 from judges' complaints.

But that is a little like locking the barn door after the horse is stolen. What is needed even more is a proper system of examinations of applicants for licenses. In some states where no examinations are re-

quired there is doubt as to their effectiveness; in some there is fear of complication and red tape. In the states where the examinations are in effect, however, there is little doubt or apprehension about them.

To get an idea of an actual examination, let us take the case of our old friend, John Smith, and his son, residing in one of our eastern states. Mr. Babbitt's son is just sixteen years of age and is eager to drive. Babbitt, Sr., equally eager to give up the job, makes out and sends to the commissioner of motor vehicles an application for an "instruction license" for his son. This document gives all the data regarding the son essential for the permanent records of the motor vehicle department. The father signs this as "instructor" and returns it with a \$1.00 fee to the department, which sends an instruction license direct to young Smith. This entitles him to drive for not exceeding a month provided his father is with him.

Places Chosen for Issuance

ORDINARILY a month is time enough to acquire reasonable facility in handling a car. At any time during the month, in the state where the Smiths live, the examination can be taken either at the office of the Motor Vehicle Department at the State Capital, or at the most convenient county seat. About half of the examinations are held at the central office and half at the various county seats.

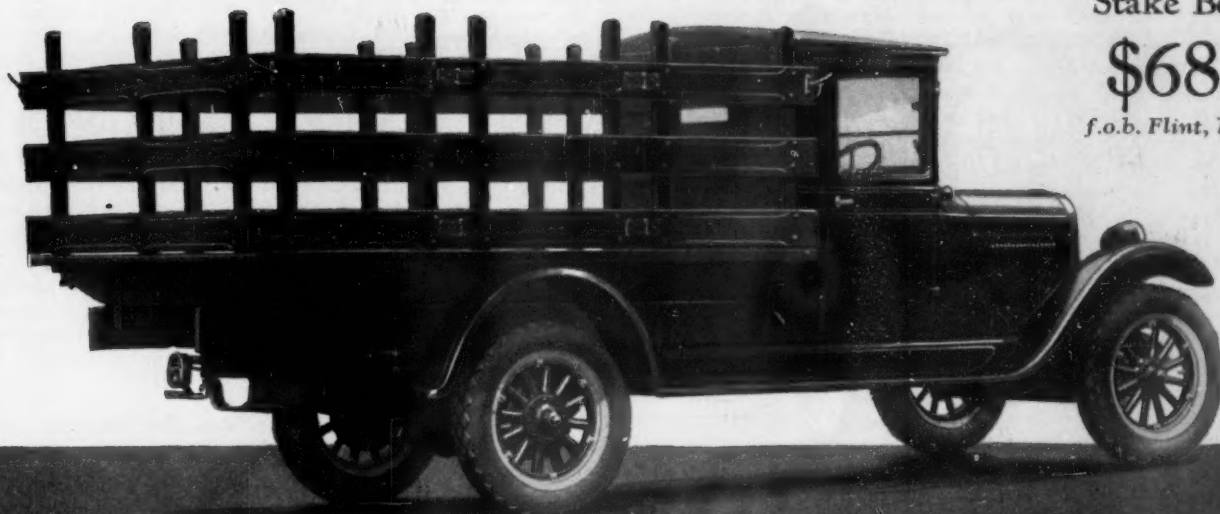
On the day of our young friend's examination he drives to the county seat with his father alongside him. It is four o'clock before they reach the examiner's office and some twenty or thirty applicants are ahead, but they decide to wait, and here is what they see:

Two by two the candidates go before the examiner at a desk and are asked a few questions to show familiarity with the traffic rules and the possession of ordinary intelligence and a passable understanding of the English language. They read a little to give a simple and ready check on their eyesight and also to show whether they read English.

A Simple Test for Drivers

AT THE beginning of the oral examination the inspector takes from a portable file case the applications of the two candidates, and at the conclusion of the questioning he signs them and sends the applicants to a designated place for their practical road test. In this five out of six cars are lined up in column with one of the examining squad on the running board of the front car and another on the running board on the opposite side of the rear car. In this formation the candidates drive a quarter of a mile over a varied course with some turns, some uphill spots and a few rough places. When it is apparent that they can operate reasonably well, they are sent back to the office and the permits issued. The fee is \$2.50 for a permit good indefinitely.

The licensing of persons who are deaf, crippled or lacking an arm or leg is a special problem with regard to which there

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Stake Body**\$680***f.o.b. Flint, Mich.*

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*at these
Low Prices!*

1-Ton Truck Stake Body	\$680
1-Ton Truck Panel Body	755
1-Ton Truck Cab and Chassis	610
1-Ton Truck Chassis	495
1/2-Ton Truck Chassis	395

All prices f.o.b. Flint, Mich.

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still seems to be some difference of opinion among the motor vehicle administrators in the Eastern Conference. In most of the conference states there is no hard and fast rule against persons who are so deficient, but every applicant is given an unusually severe road test in order to make him demonstrate, if he can, his ability to operate with safety to himself and to others. Some states have special boards of deaf persons appointed to pass on the cases of deaf applicants. It is found that the deaf are jealous of the privilege of driving and make especially careful examiners of other deaf persons. With regard to persons lacking an arm or leg or otherwise crippled, experience shows that by having their cars equipped with special appliances they can often operate quite as safely as normal persons.

In general, 20 to 25 per cent of all applicants for operators' licenses fail in their first examination. However, most of these, after subsequently learning the traffic regulations or perfecting themselves in the operation of the vehicle, are able to pass. Only about 3 per cent, according to the report of the Registrar of Motor Vehicles in Pennsylvania, fail finally.

The Job of Administration

LICENSING and examination of drivers is not by any means the only function of state motor vehicle administrators, but it is becoming more and more recognized as the first essential in any effective program for reduction of motor vehicle accidents, the need for which is clearly evident.

During the past twenty years more than 165,000 persons have met their deaths on our streets and highways in motor vehicle accidents. Continuance of the past rate would add to this total nearly half a million fatalities during the next twenty-year period. But this does not present the full picture.

The results will be still worse unless something is done to check the continuing increase in the accident rate, which has gone up each year since 1920 by about 10 per cent. Unless this increase is checked, and if it should go on for the next twenty years mounting as it has recently, the result would be not a half million but more than a million motor fatalities in that period.

Results of Hoover Conference

IT WAS to formulate proposals to bring to an end this mounting accident toll that Secretary Hoover, early in 1924, organized a National Conference on Street and Highway Safety, which, after more than two years' work, has presented to the public a comprehensive program for improvement of street and highway traffic conditions. The essential features of this program are as follows:

1. Modern vehicle laws, uniform in all essential features.
2. Reasonably uniform ordinances and regulations.
3. An effective system of enforcement.
4. Education in traffic safety of school children, operators and chauffeurs, and the general public.

5. An effective system for the collection of traffic accident statistics so that the underlying causes of accidents may be determined.

6. Continued improvement in the design and construction of the motor vehicle.

7. A regular system of vehicle maintenance with adequate inspection to insure safety.

8. Improvement and enlargement of streets and highways and proper traffic control systems to carry the traffic smoothly and harmoniously.

9. Progressive elimination of grade crossings, including crossings of highways of heavy traffic, and adequate protection of crossings remaining at grade.

Fundamental to practically every element of this program are sound state traffic legislation and the establishment of proper administrative machinery to supervise, control and discipline the hordes now driving on our streets and highways. Such action by the state legislatures to discharge the public responsibility vested in the state government was the first and most urgent recommendation of the National Conference.

Safety May Yet Be Had

THE legislatures meet in forty-four states in 1927, all except Kentucky, Louisiana, Mississippi and Virginia. Reports show that in a majority of the states the Uniform Vehicle Code is to be considered. Based as it is upon the most successful experience in all the states and endorsed by the American Bar Association as well as the National Conference on Street and Highway Safety, it opens the way to successful motor regulation.

Perhaps France Needs a Ripley, Too

PROFESSOR RIPLEY'S discussion of plural voting shares has given the impression that it is a new development peculiar to this country. As a matter of fact, according to a report recently issued by the Department of Commerce entitled "Development in the Use of Plural Voting Shares in France," this is not so; for the issuance of plural voting stock was made possible in France in 1903. The first use of this power seems to have been made by the Societe des Banques de Provence in 1911 in order that metropolitan banks could not absorb the organization.

Legal Doubts of Plural Voting

THE legal position of these issues has not as yet been defined in the French Courts. It is doubtful if plural voting shares were contemplated by the act which made them possible; it is held by critics of this control device that the act rather had in mind the modification of a previous law referring to the limitation of powers of large and small shareholders in company meetings.

A motive, in the case of the more important companies, for the adoption of plural voting provisions, is the desire to protect the national character of the enterprises whose directors have feared that the decline of the franc might result in the purchase of a controlling interest by foreigners. This has undoubtedly been true in such cases as those of the Credit Lyonnais, Pechiney, Pennaroya, and the Acieres

de la Marine, important institutions dealing in credit, aluminum, lead, and steel respectively.

There are numberless smaller companies in which the national interest is insignificant or non-existent and in such cases the reasons have been either (a) the desire to assure the companies the same conservative management as in the past, (b) the desire to facilitate fusion of companies making the proposed action especially attractive to certain interests by giving them an unusual voting power or (c) the desire to attract needed new capital. Of course, any one or all of these motives have played a part also in the issues of the larger companies also.

The company whose issuance of plural voting shares has received the most attention is Etablissements Kuhlman, an important chemical company. The desire to protect this key industry and keep its control in French hands was unusually strong and its fortunes have been followed by the public and the government with peculiar interest since the war.

Board Determines Holders

THE previous capital of the company was 180,000,000 francs divided into 720,000 shares of 250 francs each. The new issue of capital amounted to 10 million francs divided into 100,000 shares of 100 francs each. The new shares were to be distributed in principle to all shareholders who

had registered shares as of August 21, 1926; but the issue to such holders was conditional upon their acceptability to the Board of Directors.

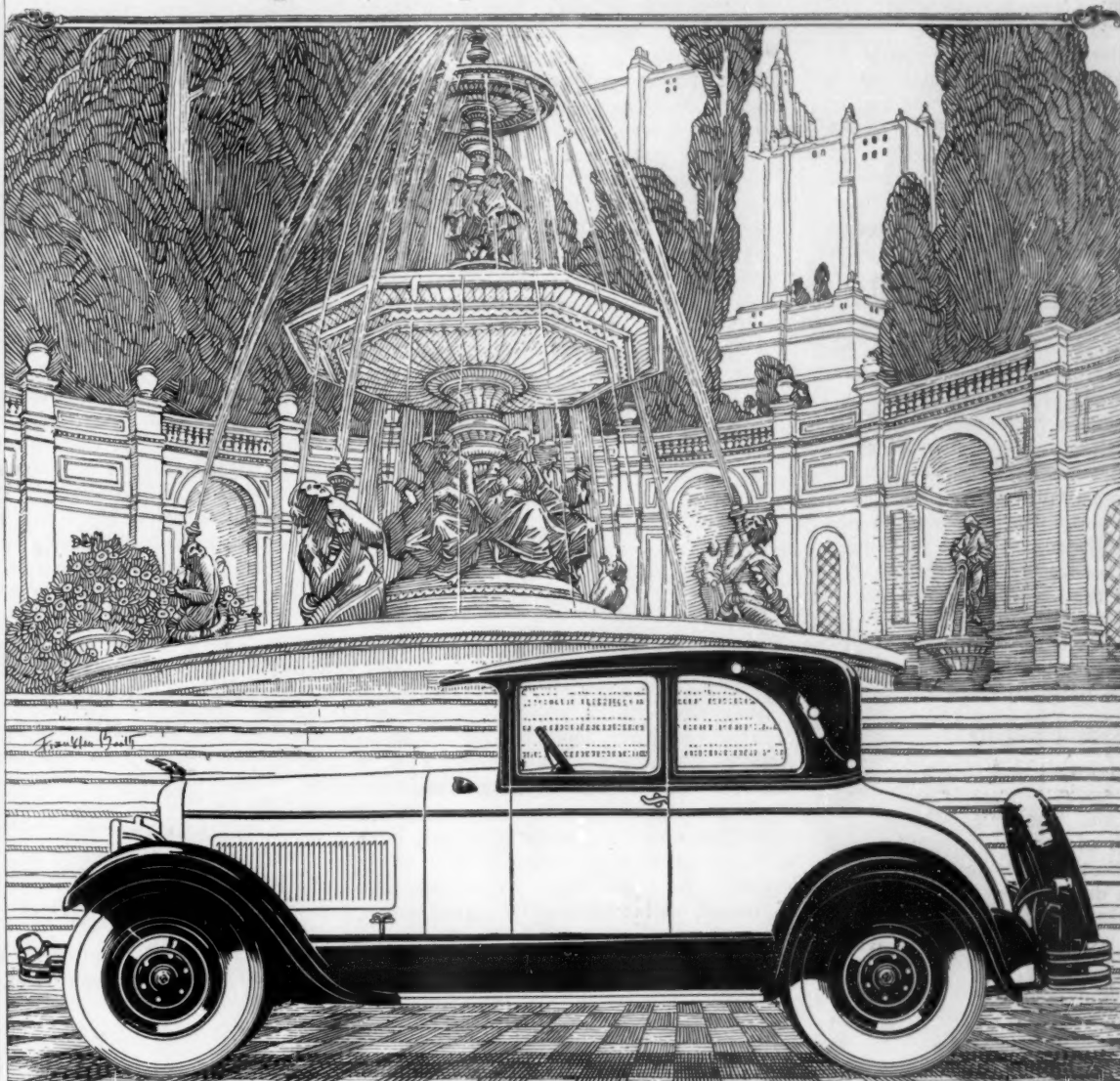
In this way all shareholders were, in principle, to share in the right to subscribe to the new shares proportionately to their previous investment in the company and would thus continue to control it. The low par price was decided upon to allow as wide a distribution as possible—theoretically one new share for each four old shares. The new shares have ten votes each—a total of 1,000,000, while the old shares have one vote each—a total of 400,000. In other respects the shares have equal rights. This arrangement was ratified by general meeting held in September, 1926.

Shall Law Prohibit Issue?

THE crying abuses which plural voting has brought out in practice have made the question of its further regulation by law a matter of growing public concern. Many critics have declared that shares with unequal voting power should be prohibited by law. An increasing number, however, believe that such shares may in special circumstances be highly desirable but that their issue should be restricted to exceptional cases.

The determination of these circumstances should, according to the proposal, be left to public authorities.

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FOR all its custom beauty, its extra equipment and its famed Big Six power, The Chancellor carries a democratic One-Profit price—\$1735. There is nothing smarter on wheels than this Studebaker Big Six Custom Victoria for four.

Low-swung, full-vision steel body in rich duotone lacquers—richly appointed interior of fine broadcloth, with broadlace trim, and silver finish inlaid hardware—patented no-draft ventilating windshield, which admits abundant fresh air and keeps out rain. Powered by the famous Studebaker Big Six motor, only seven American cars equal The Chancellor in rated horsepower—and they cost from two to five times more!

Women should see The Chancellor to know what is newest in the custom mode—men should see it to appreciate how Studebaker One-Profit manufacture has raised the standard of fine car value.

The Chancellor
A Big Six Custom Victoria
(for four)

\$1735

f. o. b. factory, including disc wheels and 4-wheel brakes

Equipment: No-draft ventilating windshield, exclusively Studebaker; front and rear bumpers; engine thermometer and hydrostatic gasoline gauge on the dash; coincidental lock; oil filter; automatic windshield cleaner; rear-vision mirror; vanity case; toggle grip; rear traffic signal light; 4-wheel brakes; full-size balloon tires; snubbers and two-beam nickel-plated acorn headlights, controlled from steering wheel.

STUDEBAKER

The Short Session and Business

By FRANCIS COPELAND

THE SHORT session of Congress ends by constitutional limitation March 4. Ordinarily a short session is quite unlikely to pass much legislation other than the annual appropriation bills. The present short session promises to be no exception to this rule. Forecasters anticipate a welter of debate, particularly in the Senate, which will effectively preclude the passing of much important legislation. The Smith and Vare senatorial election cases will come in for extensive discussion in the Senate. The troubles of the farmer, taxation, warships, prohibition, and political skirmishes may easily take up so much time that many bills, well advanced toward final passage, will die when the gavel falls, adjourning the session at noon, March 4.

The analysis here presented is based on indices that are trustworthy as this is written. A few weeks, of course, may bring about developments that will materially change the outlook. A number of measures have progressed to the point of final approval. Barring uncertainties that may well develop as a result of the factors mentioned, a legislative record of no small proportions could be accomplished before this session ends—if the auspices are propitious.

Of especial significance is the Nicaraguan-Mexican imbroglio which may quickly become the dominant issue and disrupt the entire legislative program.

Appropriations

Congress has tackled its main business for the short session—appropriation bills—with zest. By Christmas the House had passed four of the total of eight such bills, and the Senate had disposed of two of them. Such dispatch lessens the chance for an end-of-the-session tie-up, which has been discussed as likely to force an extra session.

Deficiency bills later will occupy considerable time at the tag end of the session.

The senator-designate from Illinois faces a contest to occupy a seat in the Senate. The severity of the fray and the tactics to be used by senators opposed to seating him thus far have not been revealed. It looks as if the major issue of the Senate's right to pass on the qualifications of senators-elect may be decided through the disposition of the Illinois case.

Taxation and the Budget

Congressional and administration leaders have turned thumbs down on tax reduction. A united minority in Congress, however, is girding for a test of strength in an attempt to force a rate cut this session. They threaten to invoke a rule of the House whereby signers of a petition can discharge a committee from consideration of a bill and bring it before the House. The odds are against actual reduction of rates, but a compromise is well within the possibilities.

Post-war retrenchment and budget reductions have produced an accumulated effect that threatens a mild uprising. A

growing surplus of revenues over expenditures is a temptation to pass an ever increasing list of special bills for public buildings, pensions, farm subsidies, rivers and harbors, roads, bridges, parks, memorials, cruisers, airplanes, army expansion, irrigation, salary boosts, prohibition enforcement, new boards and commissions.

Such a prospect may temper the Executive's disinclination to cut tax rates this year.

An attack on the budget system may be a concomitant.

Army and Navy

Advocates of better support for the armed forces, who have taken the bitter medicine of retrenchment since the armistice of 1918, now have boldly joined forces in a well planned offensive toward larger appropriations. Already the House Committee on Naval Affairs has reported a bill for ten new cruisers to cost \$105,000,000. The Army likewise will be heard from and Congress may grant that branch more funds for more soldiers, better barracks, and additional operating equipment.

Banking

The Senate-House tug-of-war over the McFadden-Pepper banking bill continues without a decision. An accumulation of circumstances is adding to the weariness of House members, however, and skilled observers predict action by that body later in the session whereby the bill, now deadlocked in joint conference committee, may be passed without the Hull amendments, which, heretofore, have been the insurmountable bone of contention.

Representative Hull has complicated the issue by the introduction of separate bills covering points at issue in the McFadden-Pepper bill. There is no chance for their being advanced, but some people who know little of congressional legislative procedure have been swerved from their previous insistence on the major bill at issue.

Agriculture

Discussion of farm relief has been more a matter for discussion by the press and public than for congressmen who hold the key to action. The McNary-Haugen equalization fee proposal, revised to embrace the now distressed cotton industry, has been revamped. Opponents of the measure hold in reserve a counter plan for financing crop surplus through co-operatives. In the last session this clash of forces produced a stalemate. It will do so again. The multiplicity of plans offered, lack of unity in agricultural leadership, and the superior tactical ability of those who favor the *status quo* are factors that make for no action.

Minor bills of no small importance to substantial farming interests will pass. In

this category I would include the Taber milk inspection bill, the Jones cotton crop reporting bill, and, possibly, the extension of federal control over private stockyards as provided in the Tincher bill, and the bill for eradication of the corn borer.

Turkish Treaty

Will have been decided before this is read. A close vote, with ratification slightly favored.

Postal Rates

The Congressional Joint Subcommittee on Postal Rates on December 18 recommended no further action pending subsequent data from the Post Office Department. This subcommittee has had over a year to bring forward a plan for postal rate revision but has accomplished nothing. Its delay, however, has had the effect of sidetracking the McKellar bill, which is widely favored by business men. Bills reported by the subcommittee in the last session of Congress are still pending in both houses. No comprehensive legislation seems probable, but separate bills seem to be favored for passage to deal with special parcel handling charges, restoration of one cent rate on mailing cards, short-paid first-class mail, business reply cards, and "transient" second-class mail.

Radio

The White-Dill bill has been held up by disagreement of a joint conference committee. The differences between the bill that passed the House and the Senate bill are being reconciled and final action by Congress is expected which will provide for supervision by the Department of Commerce and creation of a semi-independent board of appeal.

If comprehensive legislation goes by the board, the pressing needs of radio will probably be met by passage of a stop-gap measure.

Railway Consolidation

A new measure to permit the Interstate Commerce Commission to approve consolidations is pending in the House, where it may pass before the session ends. The chances are, however, that the Senate will not get 'round to giving it final approval this session.

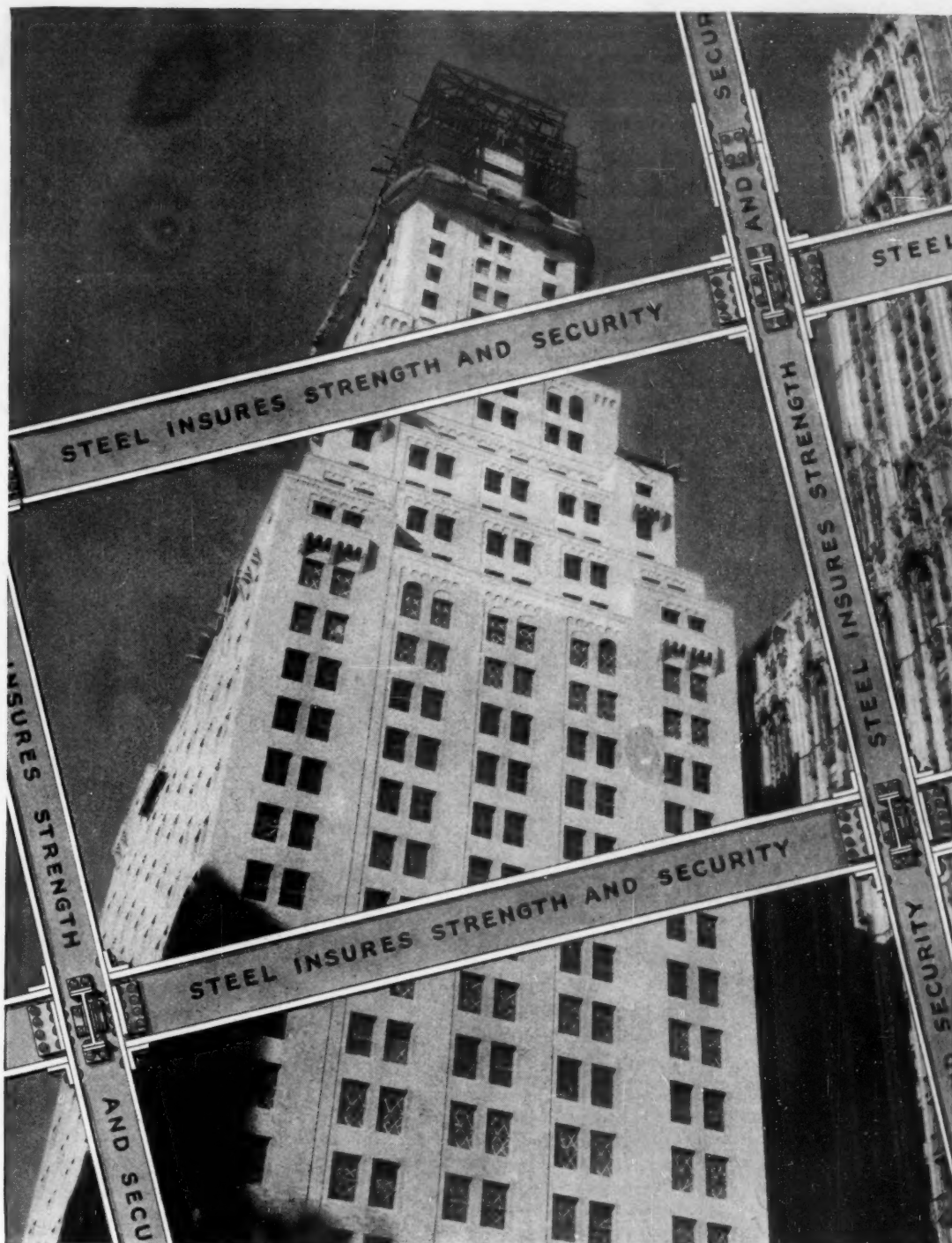
Merchant Marine

Legislation on this subject, given much attention in the last session of Congress, probably will be shelved for the nonce. Shipping Board affairs have taken a turn for the better. The chief problems are in process of solution, so that the demand for new legislation has somewhat subsided.

Rivers and Harbors

The rivers and harbors bill that passed the House last session was approved with amendment by the Senate, December 22, and was referred to conference committee. Final passage seems assured.

It includes provisions for purchase of the



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Cape Cod Canal, continuation of Chicago water diversion without further increases, and the Missouri River project.

Coal

There will be a vigorous fight in the House to pass the new Parker bill designed to meet the views of the President and the Secretary of Commerce. If the House passes the bill, the Senate will undoubtedly side-track it.

Tariff

Revival of the tariff revision issue—rather freely predicted some time ago—has not materialized. Desultory debate on this question is looked for, but nothing definite will be done about it. Groundwork is being laid, however, for advancing

this question as a political issue next year. Senator Robinson's Tariff Commission investigating committee has not made its report and likely will ventilate the subject further in subsequent hearings.

Bills Favored for Passage

The Graham longshoremen's insurance bill; creation of separate bureaus of customs and prohibition enforcement in Treasury Department.

Parcel Post Agreement with Cuba

It looks as if we shall have to experience a period of no parcel post agreement with Cuba which that country has determined upon unless Congress repeals the restrictions on importation of small lots

of cigars and cigarettes. Serious opposition to the pending bill exists in the Ways and Means Committee itself. The tobacco industry is opposing the measure in a most effective manner. Even if the House passes the bill, it probably would die in the Senate.

Bills Doomed

Abolition of Pullman surcharge; creation of free zones in American ports; Fitzgerald workmen's compensation bill; Mayfield bill to limit authority of Interstate Commerce Commission in construction of new intrastate railways.

Boulder Dam Project

Leaders apparently have decided to put through the Swing-Johnson proposal, but whether they can do so is to be seen.

When a Banker Teaches School

CHARLES E. BEURY, a Philadelphian, is the first banker to be chosen as head of an American university. He is president of the National Bank of North Philadelphia and vice-president of the Manheim and Tioga Trust Companies, and a director and officer in coal and other commercial companies in that city. His selection as the head of Temple University was announced recently.

What manner of man is this upon whose shoulders has fallen the mantle of the distinguished Russell H. Conwell, internationally known educator, lecturer, clergyman, philanthropist, founder of Temple University, creator of the ideal of "democratic higher education" and leader of men?

Dr. Beury bears his new honors with a grace and dignity that is characteristic of a man of culture, keen business acumen and scholarly attainment. Chosen to direct the destinies of an institution that has educated 100,000, is now imparting advanced learning to nearly 10,000, and is preparing to disseminate "democratic higher education" among many thousands more, his conception of the task he has undertaken is based upon the highest ideals of educational tradition.

A Chance for Service

"WHAT appealed to me was the tremendous opportunity. I saw the possibilities for developing Temple University—I could see almost limitless possibilities and potentialities," says Dr. Beury.

"Had it been a standard university, I would not have been so eager to accept the position. But Temple University is entirely different. It is not only a school—and an excellent school—but it is much more than that. It performs a civic function of vital importance. It takes the raw mental material found among the people in unpromising and often uncomfortable circumstances, and transmutes it into the stuff that leadership is made of. Such a university is not merely an educational insti-

By J. ST. GEORGE JOYCE

tution. It is, one might say, a training ground for leadership.

"That made me eager to try my hand!

I can see clearly that Temple University can be made a national university if we can make people see not only the importance of the size of this great and successful experiment in popular higher education, but also the quality inherent in the institution founded by Russell Conwell.

"Temple is one of the ten largest universities in this country. It is doing a splendid work for a large and intensely interesting group of young people who otherwise would be unable to obtain a college education."

Dr. Beury's selection as president of Temple University was the result of a decision by the

trustees that is likely to be of far-reaching import—a decision reached after mature deliberation of questions the educational world, it is believed, sooner or later must face:

Should the college president of today be a trained business executive?

Is the business man, because of his knowledge of what business expects from higher education, the logical successor, in our evolving educational system, to the conventional type?

Is the time approaching, or has it arrived, when, in casting about for a directing mind to train the thousands of young men and women who pass annually through our college portals, trustees of our educational institutions will choose the trained business man for leadership?

What Does Business Want?

DOES business, recognizing the growing trend toward democracy in education, desire this radical departure from established tradition?

The custodians of Temple believe they have answered these questions by the ap-

pointment of a man who possesses the qualities of culture, broad educational idealism and constructive administrative genius. Particularly so because, as a legacy from its distinguished founder, Temple University has pledged itself to an expansion program of such ambitious scope that its realization will place the institution in the front rank as a national seat of learning, with popular higher education at a minimum of cost as its chief objective.

Its plans call for the ultimate expenditure of \$20,000,000 in a comprehensive scheme of development. The fund is to be administered by the Russell H. Conwell Foundation of Temple University, the personnel of which is identical with the board of trustees of Temple. As head of the foundation the burden of administration rests upon the shoulders of Dr. Beury. The initial objective of this movement will be the raising of a fund of \$5,525,000 for the erection, on the site of the present university units, of a building group of skyscraper proportions, twenty-three stories high and towering 350 feet above the street level.

An Able Body of Trustees

A NATION-WIDE campaign to achieve this ambitious program will begin this month, supported by leaders in business and professional life.

The personnel of the board of trustees which selected Dr. Beury for his unique honors is composed, for the most part, of leading business men of the city of Philadelphia—men well qualified to determine the degree of education's usefulness in fitting our youth for the marts of trade. Among them are Ernest T. Trigg, former president of the Philadelphia Chamber of Commerce and a director in the National Chamber of Commerce; Edwin J. Lafferty, head of a nationally known engraving house and Director of the Department of Supplies of the City of Philadelphia; Percy M. Chandler, Alexander Wilson, Jr., and George DeB. Keim, bankers; David Kirschbaum, clothing manufacturer; Conrad N. Lauer, public utility engineer; and Albert C. Oehle, John H. Smaltz and Thomas F. Armstrong, manufacturers.



DR. C. E. BEURY

Banker, President of Temple University, Philadelphia

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Ask for demonstration or complete information. No obligation.

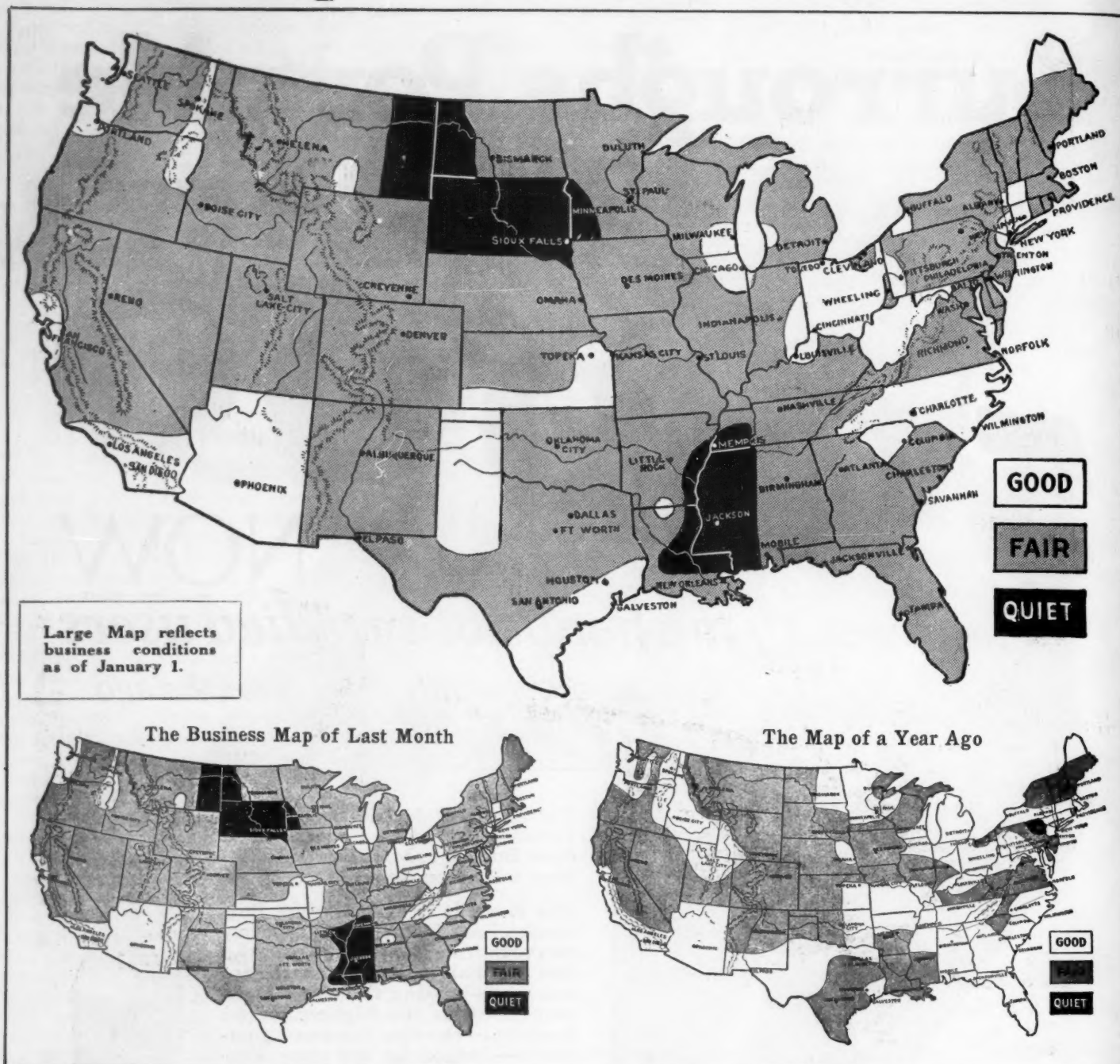
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The Map of the Nation's Business



NOW THAT the tumult attending the myriads of annual reviews and the shouting of predictions as to 1927 trade have died away, it is possible for the historian of actual events to weigh some of the happenings of December and perhaps give space to a few of the big features that stood out in trade and industry as the month and the year closed.

While almost every shade of opinion from extreme optimism to reasonable pessimism was visible in the year-end reviews, there was a cautiousness as to long-range prediction not often visible, most prophets confining themselves to six months' horoscopes. Very generally, too, the predictions singled out a few favorable and unfavorable prospects upon which to base their outgivings.

By **FRANK GREENE**

Managing Editor, "Bradstreets"

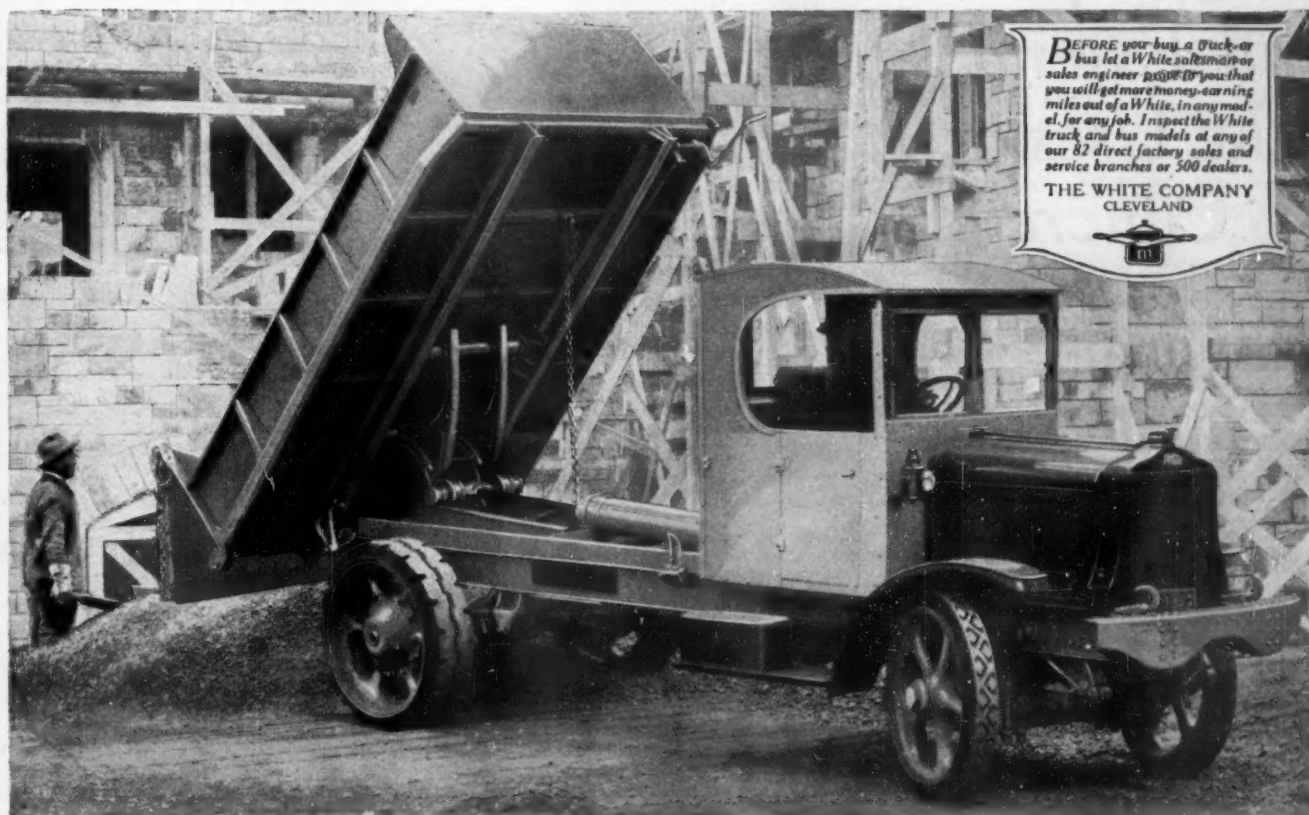
On the favorable side stress seemed to be most laid upon the impetus the earning power of the people as a whole had received from five years of expanding gains in industry, while less optimistic views were based upon the low prices or short yields of agricultural products, the chances of political agitation in Congress, unsatisfactory conditions developed by the changing of channels of trade and distribution during the past few years, and the extent to which the lessened volume of building and automobile construction would affect the interests and people dependent upon them.

December was a real winter month with zero temperatures in the third week, and, in this respect, should have been favorable to trade, but it did not measure up to anticipations even though the year of which it was a part was good in many, if not all, respects.

Part of this may have been due to the fact that December, 1925, was a peak month in many respects, while December, 1926, was certainly not a super month. In fact, the number of letdowns in production, sales and other measures of movement were so many that, coming after the notable decreases of October, they darkened the last quarter enough to leave the year a trifle less bright.

Lumber production and, indeed, movement as a whole fell off; pig iron output

There are just so many turns built into
 a wheel ~ ~ So many shocks built
 into a spring ~ ~ So many pounds
 tensile strength in a piece of steel
 ~ ~ So many drives to a piston.
 So many miles in a truck. The most
 money-earning miles ever built into
 trucks are built into the White.



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For many years the Portland Cement Association has devoted its efforts to finding the facts about concrete and placing them in the hands of the user—thus enabling him to get greater value out of his construction dollar.

The work of the Association—far-reaching in its benefits—is made possible solely through the support of the eighty-four manufacturers of portland cement who comprise its membership.

**Portland Cement Association
CHICAGO**

*A National Organization to Improve and
Extend the Uses of Concrete*

OFFICES IN 31 CITIES

was the smallest except for one month, February, for the year; steel ingot production was the smallest in seventeen months; automobiles manufactured were the fewest for five years; soft coal production, though of record size in early weeks, showed up less than in November; anthracite production, though ahead of November, was below nearly every other month back to February when the strike was on; cement production sagged (this was seasonal); raw silk consumption was the smallest since July.

Building permit values showed a small decrease from the like month of the year before and actual work was considerably reduced by weather conditions.

Forward Buying Better

IN DISTRIBUTIVE trade wholesale business, at least forward buying, was relatively better than in November, when it was about equal to the year before, while retail trade alone showed a really definite gain. Even this was spotted, for mail order trade fell a shade below that of December, 1925, while chain store trade gained over the like month of the year before but not to the extent shown in at the least seven earlier months of the year.

The gain in department store trade was exceeded by that in five preceding months of the year.

Car loadings, while falling below the year before in two of the four weeks, were so expanded by soft coal production as to show a gain for the whole month over the like month of 1925, though this gain was not up to the gain for the year as a whole.

Prices Varied

PRICES moved oddly, the general level moving fractionally high on the month, but soft coal weakened, coke sympathized, pig iron sagged in price, as did dark tobaccos, apples, textiles, except cotton and a few cotton goods, food animals, cotton oil, glass, fir lumber, corn, flour and lard.

Soft coal miners' wages, which had advanced to the level of the Jacksonville scale, \$7.50 per day for common labor, were reduced later, and unemployment in the leading auto manufacturing centers was said to have affected retail trade somewhat.

Bank clearings declined, debits fell off but recovered, failures increased, and liabilities swelled by bank suspensions were the fifth largest ever recorded.

Spectacular Steel Dividend

PERHAPS the most spectacular thing in December was the declaration of a 40 per cent stock dividend by the United States Steel Corporation, but the stock market was irregular, rails advancing while industrials sagged over the month and bond prices reflecting on the one hand large investment buying, but also new year relaxation of money rose to the highest level ever recorded early in January.

An accompanying incident here was the sale of \$60,000,000 of New York City 4½ corporate stock with subscriptions eight times the offering.

In the first week of January, 1927, prices of cotton blankets, silk hosiery and automobiles were marked somewhat lower.

To turn from consideration of the last month to that of the year as a whole it may be said that the one big outstanding feature was the large turnover made at a receding level of prices. The general price level moved lower during the first seven months of the year, after that remaining fairly steady.

Low Prices Stimulate Sales

SO FAR as can be generalized, those lower prices were a stimulant to buying in the mid-year and the third quarter. Hand-to-mouth and instalment buying were features eliciting criticism but also finding champions.

The stock market made a dizzy rise early in the year, crashed in March, rallied in mid-year to new high levels, sagged and consequently rallied again to close near the highest.

The real estate boom, especially in Florida, subsided without showing the rallying power of stocks.

Building quieted down and permitted-for values dropped behind 1925 in ten out of twelve months.

Money through the year was generally easy, call loans never rising above 6 per cent and up to that rate only for very short periods.

The complaint was made that loans lost in liquidity, that is, that there was a decrease in loans on commercial paper, with a rather perceptible disposition on the part of corporations to raise money by bonds, stocks or notes instead of financing themselves by bank loans.

The banks in turn invested more in loans on securities. One of the favorable features of the year was the strengthening of foreign currencies, those of Great Britain, Belgium, Italy, France and Norway being notable cases.

Silver prices fell off on the announced intention of India to substitute gold for the silver base as a standard.

The price index fell from \$14.0146 on January 1, 1926, to \$12.8195 on January 1, 1927, 8.4 per cent off for the year, but the average for the twelve monthly totals was only 6.6 per cent off from the like 1925 average. The January 1, 1927, level was 20 per cent above June 1, 1921, but 38.5 per cent below the peak of February, 1920.

Coal Output Gains

IN THE industries, anthracite and bituminous coal output gained 23 and 10 per cent over 1925, and the latter fuel showed close to a record production. Car loadings reflecting big coal and coke outputs rather more than enlarged merchandise, and miscellaneous goods shipments gained 3.9 per cent over 1925. Half of the increase in actual cars was due to coal and coke loading gains.

Lumber and livestock loading actually fell below 1925.

Gross railway earnings gained 4.6 per cent over 1925 and net operating income rose 10.2 per cent, each being new high records.

Steel production and pig iron output gained 8.6 per cent and 8.4 per cent respectively over 1925, while unfilled steel orders dropped 16.8 per cent over the year,



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International Harvester Company
Gentlemen:

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The International Truck is a high class product and International Service is second to none.

Yours co-operatively,

WASH. CO-OP.
EGG & POULTRY ASSN.

FROM the hen ranches around Seattle to the breakfast tables of New York is a long jump, but the big, white eggs of Washcoegg make it regularly. "Washcoegg" means Washington Co-operative Egg & Poultry Association—and that stands for more than 6,000 poultry raisers of the State of Washington.

Last year the hens of Washcoegg laid to the tune of millions of dollars. The Association hauled and shipped twenty million dozen eggs, more than half of the pack going to the Atlantic Seaboard, and great shipments to Alaska, Hawaii, South America and Europe.

Transportation is a vital factor when

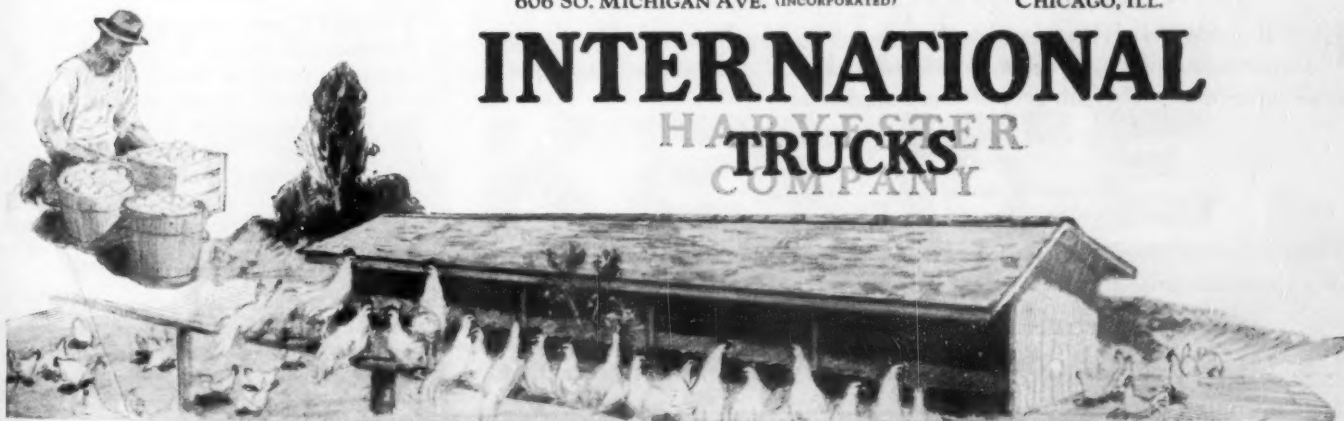
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Here, as the world over, International Trucks are delivering the sturdy service the Harvester organization has built into trucks through more than twenty-two years of truck manufacture.

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Building to be used for moulded pulp products plant.

Location to be adjacent to or within easy reach of spruce ground wood pulp supply of 25 to 65 tons per day.

Must have railroad siding and railroad connections for most direct shipment to all parts of United States and Canada, particularly to Atlantic Seaboard.

Must have land adjacent to building to allow for expansion to 200,000 square feet or more.

In reply give full details on all above items, furnish drawings and complete information of building available and also give full information as to power rates, labor conditions, local taxes, other industries located nearby, etc.

Building to be leased with privilege of purchasing within stipulated number of years.

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U. S. CHAMBER OF COMMERCE

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a symptom of the growth of the hand-to-mouth buying movement even in this industry.

Lake commerce gained 3 per cent, automobile production 2.3 per cent, and exports of cars 3 per cent over 1925.

Building fell 6.2 per cent from the peak year 1925, while lumber production and shipment losses were about 1 per cent each, whereas cement output gained 1.7 per cent, to a new peak.

Domestic cotton consumption gained 3.8 per cent, silk consumption half of 1 per cent.

Output of electricity increased 12 per cent, while petroleum production gained 1 per cent.

Chain Stores Gains Large

IN RETAIL trade, chain stores gained 12.9 per cent, mail order sales by 6.6 per cent, the two combined by 10.6 per cent for the calendar year, while department stores for eleven months gained 3.6 per cent. In wholesale trade gains were shown in five out of eleven months and decreases in three, while in three other months no important change from the like months of 1925 was shown.

Export trade fell off 2 per cent from 1925, while imports increased 6.5 per cent, the decline in the former being due to lessened takings of foods and lower prices for cotton, offsetting increases in petroleum, coal, coke and manufactured goods exports. Imports gained two and one-half times as much as exports declined, mainly in raw materials for manufacture and manufactured goods.

Bank clearings and bank debits showed new high records despite sags in the former in the last quarter and in the latter in November and early December with gains of 2.2 per cent and 6.5 per cent over the records of 1925.

Failures for 1926 totaled 20,032, second only to 1922 in number and 6.2 per cent over 1925, while liabilities, these including a record-breaking aggregate due to the number of banks suspending, aggregated \$655,043,945, the third largest total ever recorded and 36.7 per cent in excess of 1925.

Despite increases in yields of fourteen out of twenty-six leading crops, the total value of last year's harvests fell \$1,148,000,000 or 12.8 per cent below 1925, which in turn fell 4 per cent below 1924 and showed the smallest aggregate for at least five years.

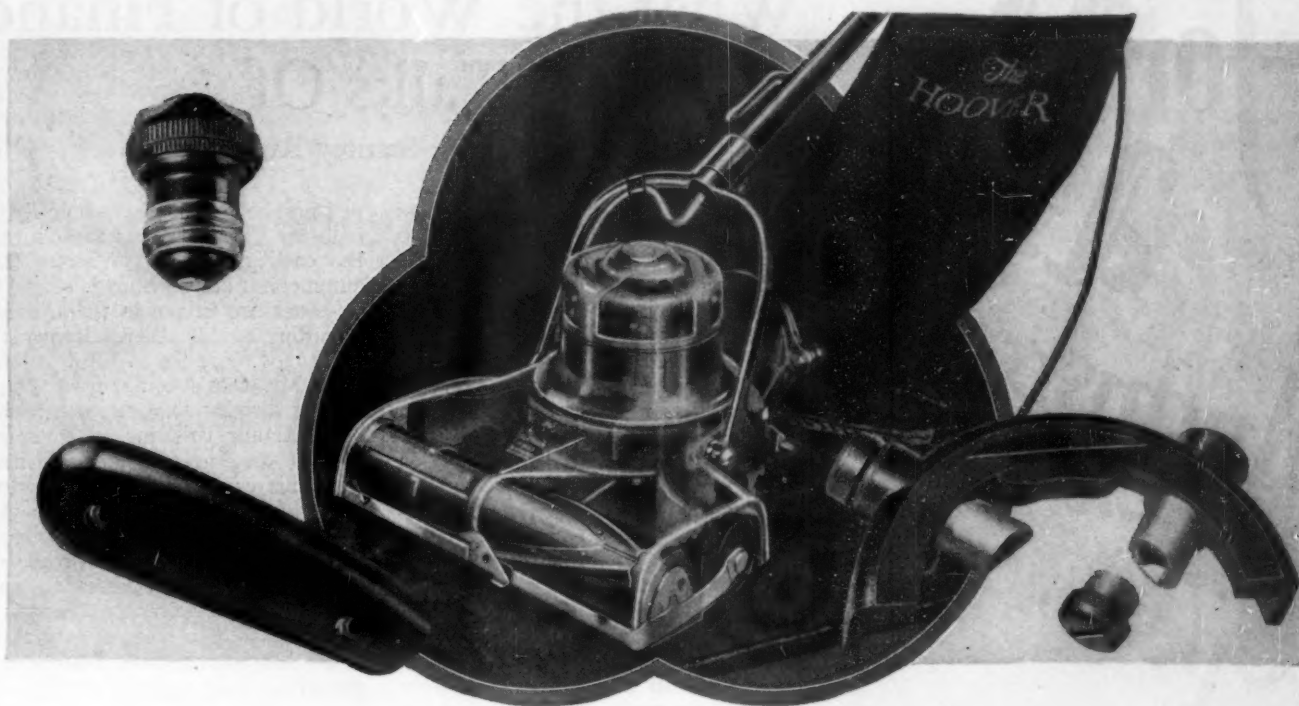
Crops Drop Over Billion

TWENTY crops decreasing in value contributed a loss of \$1,323,156,000, while six crops gaining in value as compared with 1925 contributed a gain of only \$186,321,000, a net decrease in 26 important crops of \$1,136,835,000.

Of these 26 leading crops 14 gained, while 12 lost in quantity from 1925.

Winter wheat, cotton and white potatoes gained 56, 15.5 and 10.6 per cent respectively.

Spring wheat, oats, barley, rye, hay and tobacco yields fell off, while apples, peaches, pears and oranges increased. Of these 26 leading crops the prices per unit of 19 on December 1 were below a year ago.



These Bakelite Molded parts are regularly used in the Hoover Sweeper, and transparent Bakelite was used for the cover of the exhibition machine pictured above. Made by The Hoover Company, North Canton, Ohio.

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Industrial Cleaning Materials and Methods

What the World of Finance Talks Of

By Merryle Stanley Rukeyser

IF THE wife of the ordinary business man reads the financial page, she is likely to get a more cheerful view of the business situation than the first-hand, oral reports of her husband.

The prosperity, which has been so widely heralded in published corporate reports, is to a marked extent the prosperity of big business. It has been selective rather than universal. The present era of huge production and unprecedented consumption has been characterized by a heightened spirit of competition, and the large rewards have gone primarily to the most efficient factors in the business community.

The bizarre aspect of the current prosperity is that it has been marked by falling, rather than rising, commodity prices. Ordinarily prosperity breeds rising prices, and that fact tends to bring profits to every one engaged in trade, with merchandise on his shelves. The war inflation passed profits indiscriminately to the fit and the unfit, but the new post-war competition is far more discriminating in the bestowal of gain.

These distinctions must be kept in mind, if the favorable annual reports for 1926 which are beginning to become available are to be harmonized with the wide-spread complaints of little, inefficient business men.

In 1927, the emergence of the strong is likely to be even more conspicuous.

The new competition—to borrow O. H. Cheney's phrase—will not only be among commodities and industries, as well as among those making similar products, but it will, to an increasing extent, be a race between present standards of business efficiency and progressively higher standards. Any enterprise which does not keep abreast with the trend is likely to find profit margins narrowed, if not effaced.

The present era is favorable to scientific management, which is capable of eliminating waste, heightening the spirit of cooperation of working men, and of attuning production to demand. Well-financed units capable of mass production, and, in the field of distribution, chain stores, department stores, and mail-order houses, are in favored positions. The opportunities for individuals, to an increasing extent, are as hired men in the employ of successful corporations rather than as individual venturers setting up on their own. Parenthetically, it should be observed, however, that there is a place in the new scheme for small enterprises in quality fields where craftsmanship and individual artistry are factors, such as in millinery, tailoring, and in retail units especially adapted to local conditions.

WESLEY M. OLER, veteran president of the American Ice Company, believes that, in spite of the development of electrical refrigeration, the old-fashioned ice man has a bright future. The new com-

petitors, he reasons, have helped the whole industry by advertising the desirability of the cooling process. Whereas 22,000,000 automobiles are registered, only 14,000,000 ice-boxes are in use in the United States, according to Mr. Oler. Recognizing that he cannot bring ice to those without cabinets, Mr. Oler's company is planning to market directly to consumers a cheap ice-box. Arthur Brisbane, in commenting on Mosaic dietetics, popularized his article with this caption, "Pity Poor Moses; He Had No Ice-box." Evidently, according to Mr. Oler's figures, the editor could also have pitied some of his own readers. These elementary figures suggest an answer to skeptics who believe that American business is reaching a point of saturation. The desire for better living standards is progressive.

IN THE prosperity of big business, the mass of people as wage earners—and to an increasing degree as security owners—have participated. The best evidence of the new high level of real wages is to be seen in the facts of every-day observation; in the unprecedented demand for material things which signify a higher standard of living, including better homes, domestic electrical service, radio instruments, automobiles, and an ever-mounting national thrift fund, as disclosed by the unprecedented demand for life insurance, for securities, and for the facilities of saving societies and banks.

Carl Snyder, statistician of the Federal Reserve Bank of New York, has compiled a new composite index of wages in the United States.

In interpreting the significance of the new technique for charting the well-being of the people, Mr. Snyder, in *The Journal of the American Statistical Association*, explains:

The composite shows the average wages for the country at the present time nearly one-third higher than at the close of the war; about 6 per cent above the average for 1920; and some 16 per cent above the average for 1922, the post-war low year.

All this brings more sharply than ever into contrast the course of wages and commodity prices, and especially of non-agricultural prices. According to the Bureau of Labor compilation, the average of non-agricultural prices, which includes a large element of manufactured and semi-manufactured goods, is now some 80 points, or 33 per cent, below the average for 1920, while the average of wage is some 6 per cent higher than for 1920. Yet, in spite of this extraordinary change, the rate of earnings of industrial corporations, on their gross capital, was, in 1925 and for the first half of 1926, 25 per cent higher than the average pre-war rate (1911-13 average) or than in either 1923 or 1924—probably higher, other compilations suggest, than in any peace year since the great boom of 1905-06.

This is an astonishing paradox; higher

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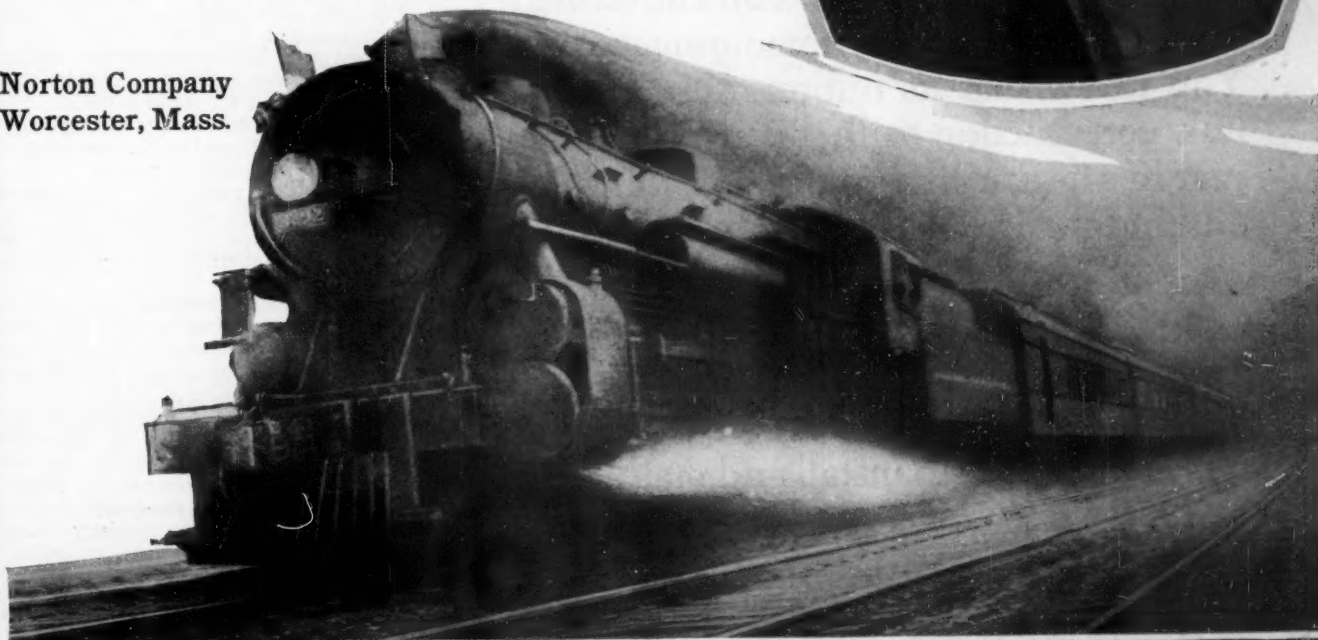
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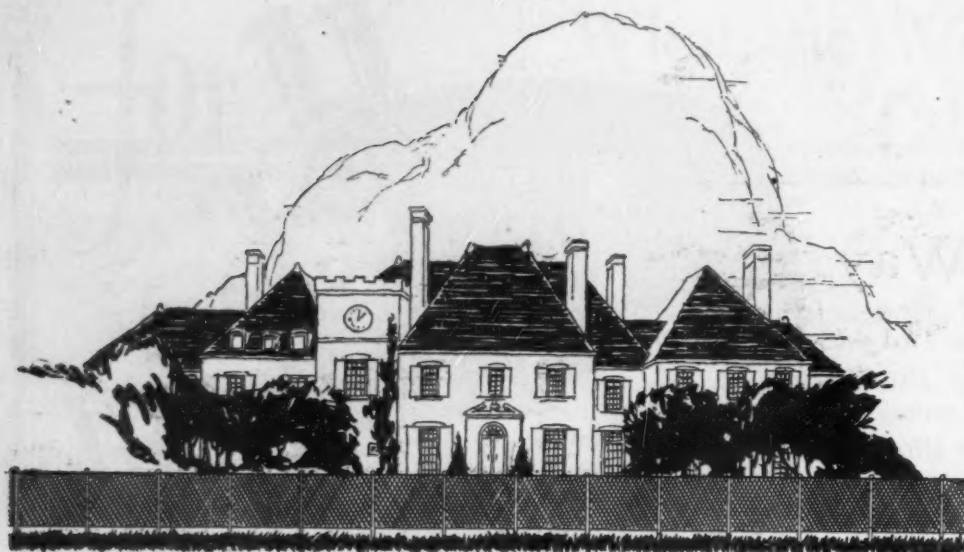


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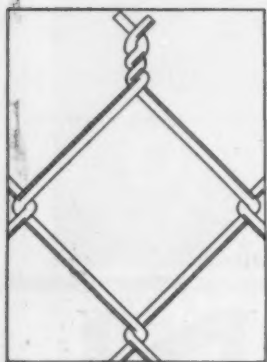
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wages, apparently lower prices, and abnormally high profits. It undoubtedly pictures one of the most interesting periods in American industrial history. Even after allowing for the fact that the price index and the wage index may not be strictly comparable, in that the wage index is heavily weighted with factory earnings, it seems clear that such a result could only have been attained by a considerable gain in actual man-product in industry.

But the gain to the worker has, of course, been immense—the relative “spread” between the wage level and the average “cost of living” having been in the last three years probably greater than at any time in the last half century. The difference between these three years and the years immediately preceding the war is not less than 20 or 25 per cent. This must mean, for the 30 odd million wage workers of the country, a difference in extra spending power of not less than 6 or 8 billions annually; which, in the writer's mind, goes far to explain the prolonged building boom and huge sales of automobiles and other things formerly classed as luxuries.

THE NEAR term outlook for wages is, of course, tied up with business prospects. In general, the modern business leader is disposed to encourage a continuance of high wages, which are the basis for the tremendous buying power revealed in the domestic market.

An intelligent Wall Street view of conditions in the market place for human services is presented by George E. Roberts, vice-president of the National City Bank, who says:

So much is said in current discussion to the effect that high wages are the secret of this country's prosperity that in the interest of clear understanding it is well that some qualifications be made. High wages which accompany high productivity, either as a cause or as a result, undoubtedly make for prosperity and the general welfare, but high wages which contribute to high industrial costs and are passed on for consumers to pay have no such beneficial results. If they yield benefits to the recipients, it is at the expense of the rest of the community, and if no more substantial basis than this existed for the country's prosperity the outlook would be poor.

Wage increases without increased production signify nothing but the competition of industrial groups with each other. If one wins larger buying powers, it does so at the expense of the others.

If, however, by the installation of improved machinery in production or more powerful locomotives in transportation, the costs of production or transportation are lowered and prices are reduced accordingly, the result to every consumer will be precisely the same as though his wages had been increased, for a portion of his buying power will be available for new purposes.

PRESENT credit and trade prospects seem more distinctly favorable to investment than to speculative securities. Stocks and bonds, whose price depends on prevailing interest rates, are in a favored position. Purely speculative issues are likely to be subject to distribution from more discriminating to less discriminating holders.

MANY of those who poured their funds into Florida real estate speculations in an effort to get rich quick have discovered

that they bought into a long pull proposition.

A New York investigator, who was recently making a survey of conditions on the west coast, attended an auction sale of real estate equities. He instructed a real estate agent to buy one in for him for \$5. The realtor, who had an inventory of properties heavily loaded with onerous mortgages, told the New Yorker that he would be glad to give him an equity for nothing.

In spite of cyclones, astronomical and economic, Florida retains its valuable assets of climate, richness of soil, and accessibility to large centers of population. The present opportunity is to build solidly on realities and to forget the whimsical imaginings of promoters who were subject to extraordinary delusions.

H. J. KENNER, general manager of the Better Business Bureau of New York City and an active leader and coordinator of fraud fighting, in discussing new fashions in blue sky with me, said:

Open financial frauds are distinctly on the wane in the United States, as a result of the growing sophistication of the public and the vigilance of law enforcement agencies. However, there are widespread under cover operations by individuals who operate as free lances. They develop prospects over the telephone, and shift from one security to another.

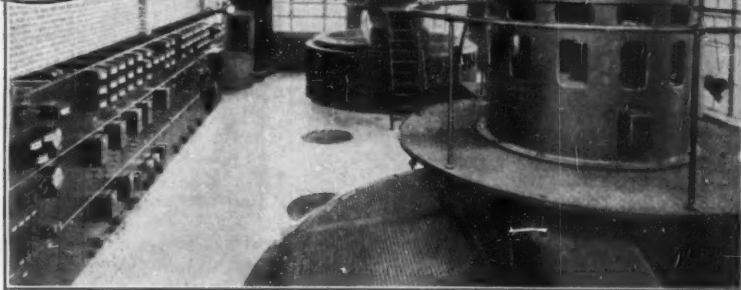
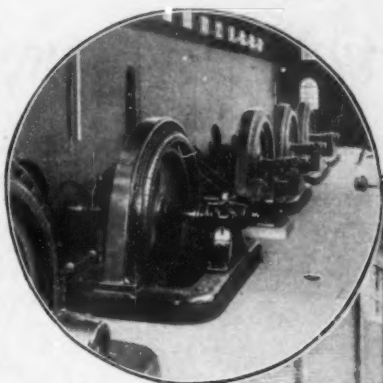
HERE'S good news for the manufacturers of Troy, New York: Of the seven principal groups of working people, white-collar workers—teachers and clerical toilers—constituted two of the first three groups from the standpoint of those showing the highest percentage of rise in wages since the close of the war, according to the new composite index of wages in the United States. The mills of economic justice may grind slowly, but apparently they are on the job.

ANOTHER Wall Street myth was shattered at the beginning of the year, when the House of Morgan announced that three men from the ranks had been elevated to partnerships. Heretofore, the Street had assumed that employees were barred from becoming bosses in America's leading counting room. Social prestige, it has been demonstrated again, is an effect of business success, not a cause.

IN SPITE of the wide-spread ballyhoo about hand-to-mouth buying, workers in New England mills have in recent weeks been trudging to work in the snow to make Palm Beach and other cool cloths to abate next summer's heat.

BUSINESS men throughout the country have knuckled down to fulfill their optimistic New Year forecasts.

IN THE current period, the competition is keen among sellers for the favor of buyers. Sales managers are sitting in the riders' seats, yet their activities are being tempered by the opinions of credit managers. The leading factor in the automobile truck industry, for example, is deliberating sacrificing volume in an attempt to



Above: Before Reconstruction

Right: After Reconstruction

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The glory of green valleys, the splendor

THE rolling uplands of a continental plateau have always held a charm that grips the imagination of men. There is a special quality in the splendor of Montana's plains where a man, riding in buffalo grass, may lift up his eyes to the clean hills from which life-giving waters flow.

The thunder of great rivers carving their channels through the rich soil of prairie and bench land, wine-clear atmosphere that sets the blood tingling, lofty canopy of blue sky, green of spring wheat and gold of the harvest, great herds of white-faced Herefords moving down to water, flowing flocks of sheep upon the hillsides, the sparkle of modern towns born in the Twentieth Century—such things contribute to the fascination of this glorious region where there is still elbow room, and a man can grow!

Montana, containing within its borders a greater number of national parks than any other state, possesses in addition tremendous agricultural and industrial resources and potentialities. The great industrial region centers in the mineral-rich mountains. Agricultural Montana sweeps out upon the plains and up the sheltered valleys.

LOCATION: Midway between eastern and western markets, which absorb all Montana can produce. Three-fifths of area lies east of the Rockies; two-fifths west. Altitude less than 2000 feet in the east, sloping up to over 10,000 feet.

CLIMATE: Montana covers a vast and varied region, and localized reports of temperatures are misleading. With an altitude lower by several thousand feet than the average of the Rocky Mountain States, its climate is considerably milder. Cattle range in the open all year round. Snow coverage is the same as New York. The atmosphere is dry, sunny, bracing. There are more open days for farming in Montana than in most agricultural states.

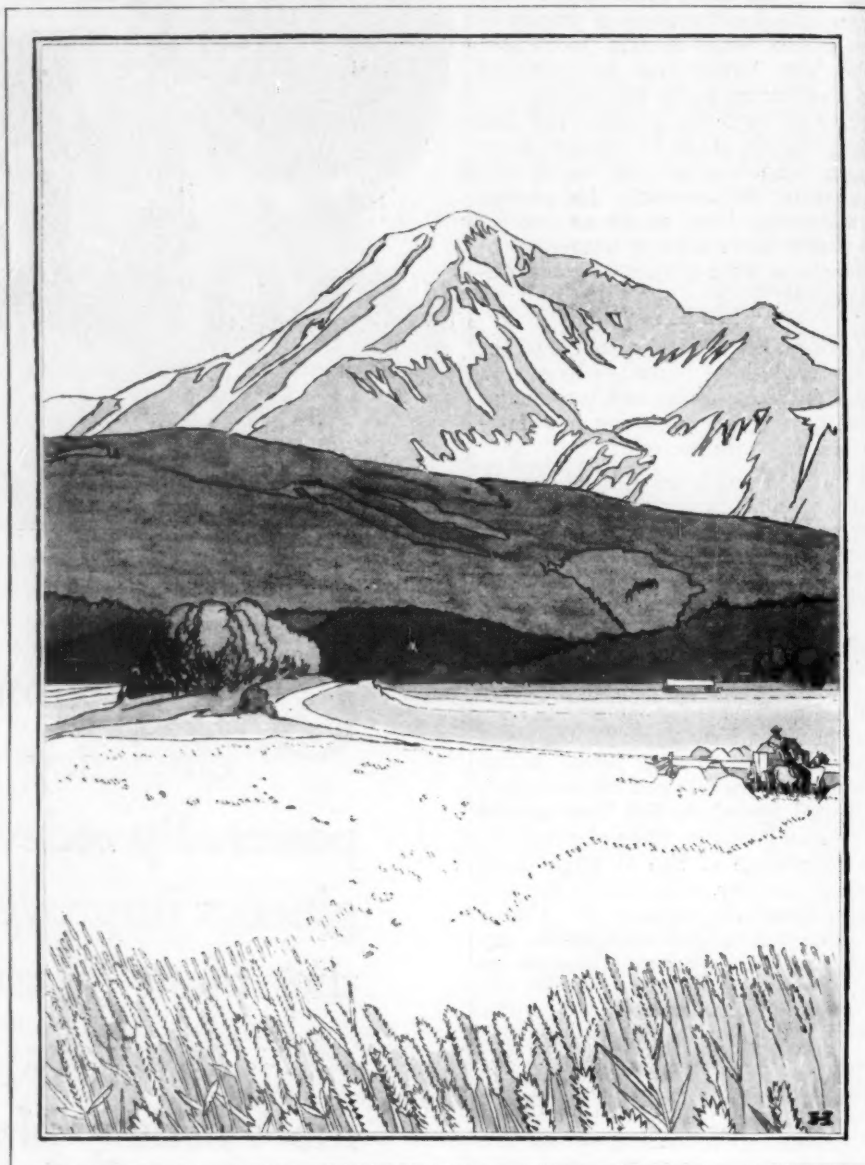
CROPS: With scarcely a third of its agricultural land developed, Montana ranks second in the United States in spring wheat production. First over a period of sixteen years in the average yield per acre of oats, hay, potatoes; second in winter wheat and spring wheat; third in barley and rye; seventh in flax; and already *eleventh* in corn.

LIVESTOCK: Cattle for market sell annually for over \$19,000,000; sheep, \$14,500,000.

DAIRYING: Diversification is rapidly following the production of corn. Dairy products, poultry, honey produce annually about \$18,000,000.

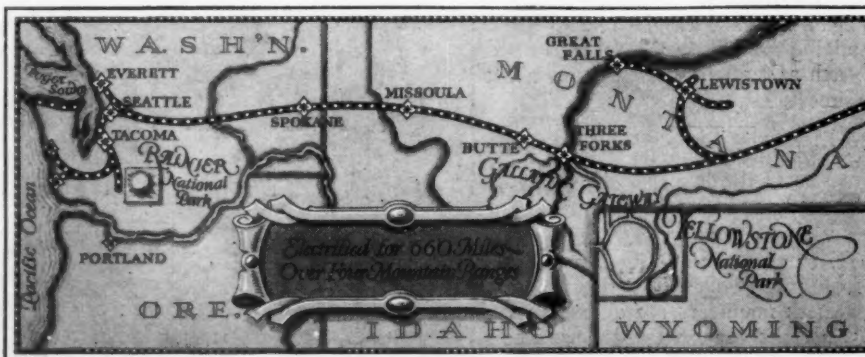
Pioneer of the twentieth century

Like Rhodesia—the upland province of South Africa to which Cecil Rhodes drew the cream of the British Empire in order to dominate a vast nation in the making—Montana looks down from its fertile terraces and treasure mountains out upon the United States. Vast and prodigal, it does not yet know its own strength, though destiny has obviously marked it as the storehouse of all the great Northwest. Beautiful, rich, young, it is hard to believe this magnificent region is still pioneer country and that living men remember the the war cries of the Sioux.



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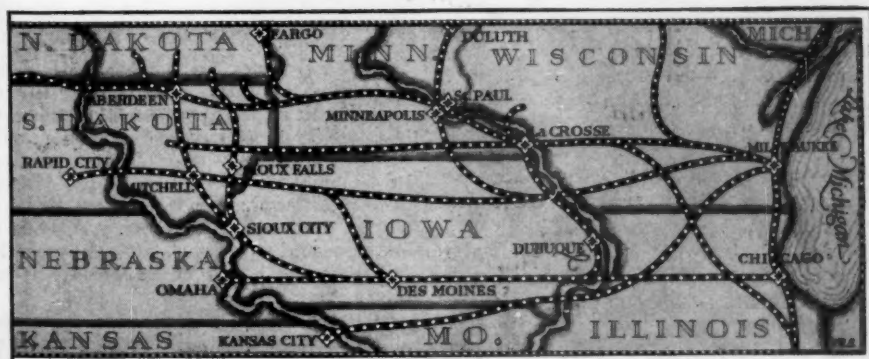
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Six hundred and sixty miles of the line from Harlowton, Montana, to shipside on Puget Sound, are electrified.

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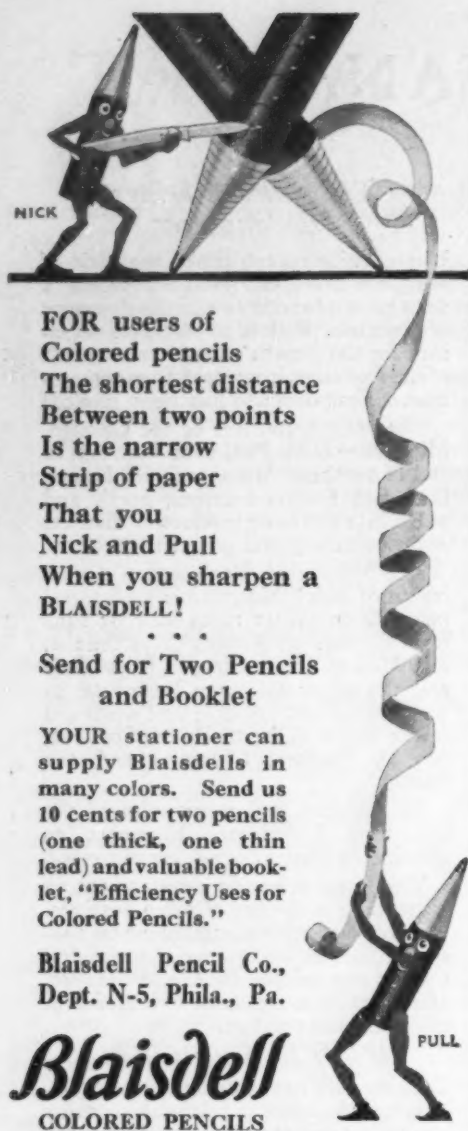
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make soundly financed instalment sales. The company in question has increased the down payment and shortened the period of payments in instalment sales, aiming thus to reduce the amount of repossessions in the event of a recession in trade.

The passenger-car branch of the industry proceeded along similar lines many months earlier.

This capacity of business to detect its own ills and to remedy them before they breed a serious crisis helps to explain the prolongation of the current prosperity. Of course, without the existing abundance of credit, the expansion could not be perpetuated.

THE RAILROADS of the country are in a better position to finance their growth through the sale of common shares than they have been for more than twenty years. All the strong carriers, whose shares sell fifteen points or more above par, could readily market new stock. However, some who could do so are inclined to hesitate because they can get money cheaper through the further piling up of bonded indebtedness.

The Southern Railway and the Atlantic Coast Line have already announced that they will sell stock this year. Others, no doubt, will follow. Walter S. Case, of Case, Pomeroy & Company, representing the interests which recently acquired control of the Southern Railway, estimates that the railroads will have to spend \$1,000,000,000 a year for the next five years in order to equip themselves to handle expected traffic expansion. If the roads continue to reinvest \$400,000,000 annually out of earnings, as at present, they will have to raise \$600,000,000 of new money to fulfill Mr. Case's predictions. If only half of this amount is raised through the sale of common stock, the public would be asked to absorb one and one-half billion dollars of railroad stock in the next five years.

RAILROAD executives, who advocate consolidation as a step forward in efficient railroading, were favorably impressed with the communication which John W. O'Leary, president of the Chamber of Commerce of the United States, sent to the Senate Interstate Commerce Committee urging prompt enactment of legislation to remove the obstacles which for nearly seven years have delayed the consummation of railroad merger plans.

As the law now stands, the best that railroad matchmakers, like O. P. and M. J. Van Sweringen of Cleveland, can hope for is unification through a series of leases. The present law blocks the way to actual consolidation of a series of properties into a single corporation, and tends unwittingly to bolster up stubborn minority interests who seek to create a nuisance value for their holdings.

Patrick E. Crowley, president of the New York Central Lines, summarized sentiment as follows: "I do not believe there will be much, if any, progress during the coming year in railroad consolidations unless the Parker bill, now before Congress, or some other bill which will authorize consolidations to be made, shall be passed."

Fred W. Sargent, president, Chicago &

Northwestern Railway Company, said: "I expect little progress in 1927 with reference to railroad consolidations unless the Watson-Parker bill should be passed by Congress, in which event, no doubt, impetus will be given to the desire of certain railroads to bring about economical consolidations."

T. C. Powell, president, Chicago & Eastern Illinois Railroad Company, said: "I believe that the railroad situation generally will be improved if and when Congress passes an amendment to the Transportation Act of 1920, clarifying the method of effecting railroad consolidations and insuring that there shall be no uncertainty as to the scope of such consolidations, so that there shall be included in the railroad systems of the country all the railroads, large and small, necessary to afford adequate transportation to the people of the United States."

GENERALIZATION is difficult in describing diverse economic conditions in the United States. Although American banking resources are large and ample and although the significant banks are well managed, there were about 800 bank failures in the United States in 1926 and 3,000 since 1920. Most of these banks were in small communities in the agricultural areas. Some districts were left without a bank. The suspensions were, for the most part, the aftermath of the frozen loan situation resulting from the deflation of commodity prices in 1920-21.

The difficulties of some of the small banks were intensified by the fact that the resources of such institutions are almost wholly tied up in one form of business activity. Where a particular kind of farming sets the tone of prosperity for the community, the bank's fate is tied up with the fortunes of that specialized branch of farming. Diversification is desirable in banking, and the question arises whether small communities can get proper diversity if they stick to unit banking, fearing the social and political consequences of nation-wide branch banking such as prevails in England and in Canada.

IN LEGITIMATE speculation, the chief cause of wide-spread losses is ignorance. Laurance Sloan, of the Standard Statistics Company, paints a vivid portrait of the dilettante speculator in his new book on "Security Speculation—the Dazzling Adventure" (Harper's). "By the dilettante speculator," he explains,

is meant the inexpert purchaser or seller of speculative securities who is primarily concerned with some other line—the person who of necessity must devote his chief attention to his own business or profession, who turns to the markets only when he has possessed himself of surplus funds that are to be employed, and who, in the long run, finds that his successful operations are the exceptions, and that his disappointing ones are more nearly the average performance. . . . He may be said to be the uninformed, economic illiterate amateur, and it must be added with due regret that numerically, if not in aggregate purchasing power (and selling power), he and his brethren vastly exceed both the professional and the informed non-professional market operators.

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MECHANICAL PAINTING EQUIPMENT

Everyman and His Bank

X--The concluding article of this series on banking as it affects the individual business man

By Dale Graham

"SO YOU DON'T like these parties any more than I do, eh?"

Vernon Martin, senior vice-president of the First National Bank, looked up from his evening paper in the secluded lounge of the Country Club, to discover that the speaker was Lucifer Smith.

"Well, well, Mr. Smith; this is a pleasant surprise, I'm sure. When did you get back?" It was the banker's first intimation that the president of the Climax Printing Company had returned from a trip to Europe.

"Day before yesterday, and right off the reel my wife drags me out here just because somebody she met on the boat invited us. The dinner was all right, but the dancing doesn't register with me, particularly since the young chaps have a corner on the good-looking girls."

The vice-president smiled. "I don't go in for dancing, either, but Mrs. Martin brings me out quite frequently. But tell me about your European jaunt."

"Well, it was a great trip. I enjoyed it all, and say, those travelers' checks and the letter of credit worked fine! Queer lot of banking practices they have over there. Pretty well organized, according to what an Englishman was telling me on the train from London to Glasgow. The Bank of England, according to this fellow, is the greatest thing since the discovery of shoes. He was some kind of a banker himself and kept trying to pry information out of me about the Federal Reserve System. I told him I thought it was a chain of government warehouses acting under the Eighteenth Amendment, but he proceeded to inform me that I must be mistaken, since he was sure it is related to banking."

Financier for the Government

BOTH men laughed, and Lucifer continued: "It seems this Bank of England of theirs was organized about two hundred and fifty years ago as a slick system to let the British Government borrow some money. The idea was that the bank lend a big bunch of pounds—I don't know how many—to the government and, in return, the government let the bank issue bank notes which passed as currency. So the dear public advanced the dough, as usual."

"Yes, that's a very commonly used idea. We've done it here in the United States. The Government helped finance the Civil War by selling bonds to national banks and permitting them to issue the currency we still know as national bank notes." Banker Martin drew two cigars from his vest. "Won't you have a smoke?"

"Thanks! Well, when I found out he was serious about the Federal Reserve System, I just had to admit that I didn't know anything about it, except that it was blamed for the price smash in 1921. I'm

glad I ran into you out here and, unless you'd rather dance, I'd like to have you slip me some information. I might meet that Englishman again."

The banker removed his glasses and placed them carefully in a leather case. "Gladly, but in order to understand the Federal Reserve System, I might have to go over some of the elementary principles of money and banking that may not be clear to you."

"Go right ahead. The only thing about banking that is really very clear to me is how to write checks. The rest is a trifle hazy."

"Then I've certainly wasted a lot of breath on you during these past months. However, let me begin by reminding you that when barter and trade became insufficient to affect exchanges among the people, a third element—a common medium of value and exchange—had to be established. This was the first development of money."

Lucifer nodded. "Yes; I remember reading about that when I studied economics."

Mediums of Exchange

"WELL," continued the banker, "you probably remember also that before organized governments came into being, this third element—the common medium of exchange—had to be something that was generally desired by all the people. Among the American Indians, shells and beads were always in demand for ornamental purposes, and so they were used as money. By other races, cattle, sheep, and grain have been used. Even in Massachusetts before the Revolutionary War, lead bullets were used as an exchange medium. In Virginia, tobacco, being the most available product, came into use as money. Tobacco receipts were issued by warehousemen, and practically all financial transactions were expressed in terms of that commodity. Even school teachers and clergymen were paid in tobacco."

"Well, I never knew that." Lucifer searched around in his pocket for a match to relight his cigar. "I hope they liked tobacco as well as I do."

"The trouble with commodity money," the banker resumed, "was that crops were uncertain from year to year and that the grain or tobacco was likely to depreciate. So, centuries ago, gold and silver were selected as mediums of exchange. Gold is practically our only standard basic money, but there is not enough gold in circulation to supply the needs of commerce. Most of our exchanges of goods and services are made by means of a substitute—what we know as paper currency. Perhaps I didn't state that correctly. A great deal of our business is done on credit—promissory notes, bills of exchange, and book accounts—then settled later in currency or checks. But it

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How Good Can a Congressman Be?

See the Confessions of a Congressman, a *candid* statement in the March number of NATION'S BUSINESS.

is both with credit and currency that the Federal Reserve System plays an important part in our every-day commercial life."

Vernon Martin cleared his throat: "Of course, you remember from the study of economics that the volume of business transacted determines the quantity of currency and credit that will be needed. Up until the passage of the Federal Reserve Act in 1913, the monetary system of the United States did not provide for expansion in the volume of circulating currency, whenever an increase in the nation's business demanded a greater supply. All of the different kinds of currency were practically fixed in amount.

"The gold certificates were regulated in quantity by the amount of gold that was held in the United States Treasury—they still are, for that matter. Then the silver certificates and United States notes in circulation were about the same the year round. Finally, one of the most important parts of our currency system, the national bank notes, depended for their volume not upon the needs of business, but upon the amount of United States bonds pledged by national banks with the Treasury Department to secure them."

"Well, Mr. Martin," Lucifer cut in, "as long as we have banks and bank checks I don't see where the volume of currency would make so much difference."

"Well, it makes a difference. If you will bear with me, I'll try to explain it as quickly and directly as possible. Now, prior to the passing of the Federal Reserve Act and the establishment of the Federal Reserve Banks, bank reserves were kept by small country banks partly in cash and the remainder on accounts with banks in larger cities. Three big centers, New York, Chicago, and St. Louis, were known as Central Reserve Cities and the reserves of banks all over the United States centered pretty largely in these points, at least as far as national banks were concerned.

"Now the Central Reserve City Banks were required to keep 25 per cent of their deposits in gold, but, knowing that they were likely to be called upon for big withdrawals as the money was needed by correspondent banks throughout the country, they put a lot of funds 'on call' in New York. By that I mean they made a lot of demand loans to brokers against securities listed on the New York Stock Exchange."

"Oh!" exclaimed Lucifer, "playing with Wall Street, eh?"

Tight Money and Panics

"NO, NOT exactly playing, for call loans are secure enough because of margins and they supply a perfectly legitimate need for day-to-day bank investments. But here is what used to happen. Business would be going strong; the banks would be prosperous; the stock market would be up. Then bad crops or reverses in some part of the country would bring about heavy withdrawals of deposits in the Central Reserve Cities, and the consequent calling of these 'call' loans in New York.

"This would in turn bring higher rates and would force many sales on the stock exchange with a resulting break in prices. The crash of the stock prices would affect people all over the United States. Millions

would be lost, business men would become alarmed, and an unsettled state of affairs would result. Next, a few banks would close, and the people would come to the conclusion that they would rather have gold or currency than deposits in banks. This is where I arrive at the answer to the question about the volume of currency.

"In normal times the supply of money was sufficient to meet the demands, but, as soon as confidence in the banks was somewhat upset and everybody wanted currency, there wasn't enough to go around. Banks had plenty of sound assets, but the inability of many of them to meet immediate withdrawals in cash resulted in additional failures, and the first thing we knew we were in the midst of a big money panic. These panics used to happen with various degrees of severity every few years."

Lüchifer wrinkled his brow. "Yes, I remember the panic of 1893 and the one we had in 1907. A lot of people had pretty hard sledding, and I was one of them."

Creation of Elastic Currency

"WELL," the banker continued, "here is where the Federal Reserve Act entered as the greatest piece of financial legislation our country has ever known. It provided for an elastic system of currency and credit. By elastic I mean capable of expanding and contracting as the business requirements of the country change from month to month and year to year."

"But how does it do it?"

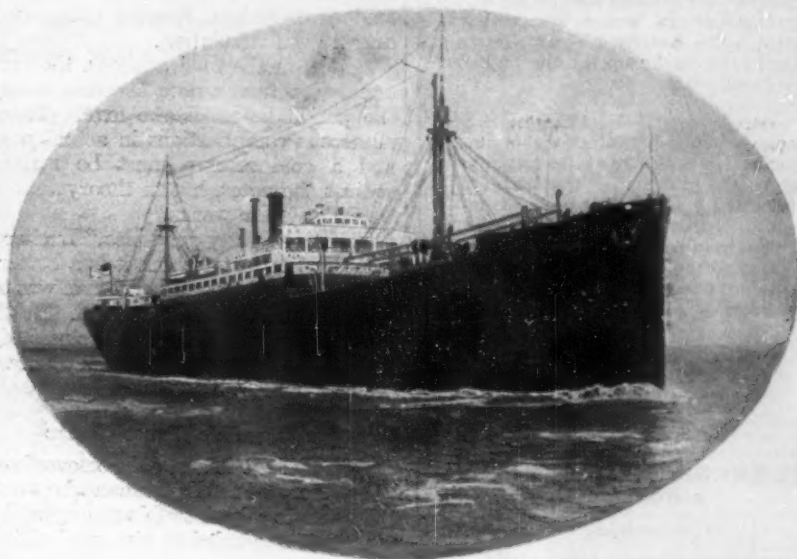
"I am coming to that. The Federal Reserve Act authorized the creating of a new form of currency known as the Federal Reserve note. It also authorized the formation of twelve central banks located in important centers throughout the country, the capital stock to be provided by every national bank and by state banks that became members of the system, in proportion to their own capital and surplus. These Federal Banks were to be a reservoir of credit from which member banks could borrow when the demands on them for loans or currency temporarily exceeded their ability to meet them. And everyone agrees that the framers of the Federal Reserve Act were men of wisdom, for the system has worked admirably."

"In detail the Federal Reserve system operates something like this: Whenever a commercial bank that is a member of the system has unexpected withdrawals or an unusual demand for loans, it is permitted to borrow from the Federal Reserve Bank on certain kinds of good collateral or to rediscount the notes of its customers that comply with certain requirements."

"Briefly, these requirements are that the notes should cover loans for actual agricultural, industrial, or commercial purposes, and not for carrying stocks or investment securities. Such notes must have a maturity within ninety days at the time of rediscount, with the exception of those for agricultural purposes, which can have as long as six months' maturity."

"Now, as I said, when the commercial bank gets hard up for cash, it sends in this paper for rediscount and credit to its account. Of course, it draws much of this money out in the form of currency. That is where the Federal Reserve note comes in."

When the "TAMPA" put to sea



ON the night of November 8, last, the motorship "Tampa" put to sea from Newport News, Virginia, headed for Savannah, Georgia.

As she nosed her way out to sea, she looked much like any ordinary cargo ship of 13,000 tons. But down in her engine room marine history was being made. For the "Tampa" was resuming service for the people of the United States (under the direction of the U. S. Shipping Board), equipped with the first engine of its design ever sent to sea, a new Diesel engine of all-American design and manufacture, simpler than any marine engine of its size ever made.

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Under the terms of the act, the Federal Reserve Bank may repledge the notes of these farmers and manufacturers with a government representative, known as the Federal Reserve agent, and receive from him in payment this Federal Reserve note currency. When it becomes due, the Federal Reserve agent takes it back to the Federal Reserve Bank, and an equivalent amount of Federal Reserve notes are withdrawn from circulation.

"Thus, in the final analysis, the farmer's or manufacturer's note becomes money for the period he needs the loan. There are numerous complications in actual practice, and a gold reserve must be maintained against the notes, but in theory that is the way the system works."

"That's a pretty good idea," Lucifer commented; "in fact I think it is a better idea than all the stuff the Englishman was telling me about the Bank of England. But I still don't understand why this business of supplying currency is so necessary when we use checks for most big transactions."

How We Trust Banks

"**M**Y DEAR fellow, did you ever hear the story of the Dutchman who went into the bank to withdraw his money and who, when it was handed to him, pushed it back and said, 'If you got it, I don't want it. If you don't got it, I want it?' That answers your question. People are willing to trust banks and accept checks as long as they know they can get the currency if they want it, but just let them think that they can't get it and see how they fight for it. So banks must be able to supply currency immediately when it is requested in order to preserve confidence in checks. Of course, the same principle applies to currency itself.

"As long as the American people have confidence that our paper dollars will buy as much as gold dollars, that they can get gold any time they want it—why, they don't want gold. But let them think the paper money isn't worth face value and see them scramble for gold. It's the Dutchman's psychology in every one of us."

"I see," said Lucifer slowly.

"Well," continued the banker, "the Federal Reserve Board can now keep business pretty close to the straight-and-narrow by fixing the rate at which notes are rediscounted. During the war and a year or so afterward, business was booming with artificial prosperity caused by millions of dollars of this Federal Reserve note currency being in circulation. The rediscount rate was low, which encouraged business men to borrow and pursue progressive policies. While a large quantity of money was necessary for war purposes and there would have been a panic without it, the Federal Reserve Board saw that inflation had gone far enough. The problem was to bring business back to normal conditions. This was done by increasing the rediscount rate, which in turn caused sound firms to borrow less money and caused banks to be less willing to extend credit to those that were not so strong.

"Unquestionably there were many business failures during this deflation period, but the casualties were slight compared with those that would have happened had

the Federal Reserve System not been in a position to bring about an orderly deflation. It was inevitable that many 'war baby' industries should fail, but the Federal Reserve System kept the sounder and stronger ones from being caught in the undertow and literally ruined. A study of conditions after the Civil War will convince any man that the readjustment in 1921 was quite painless by comparison."

"It was painful enough for a lot of them."

"Oh, yes; to be sure. But they didn't remember anything about the struggle after the Civil War and thought they were having a hard time. The strange thing is that the Federal Reserve System, which made it possible for us to finance not only our own end of the war but part of Europe's, the system that lessened the shock of readjustment, is accused by many people as being the cause of the price crash of 1921 and they want to put it out of business when the renewal of its charter comes up in Congress in a few years."

Lucifer looked toward the entrance to the lounge.

"By George, my wife is out looking for me. Now I'll catch it."

"Say, and that's Mrs. Martin with her. I guess we are both due for an official reprimand."

"Well, I guess we'd better get back out among the crowd. Don't want them to think we just came for the dinner. By the way, Mr. Martin, if I happen to be in Congress when that Federal Reserve renewal business comes up, I'll vote for it."

The banker looked surprised. "Are you thinking of running for Congress?"

"No; but that's the way I feel about the Federal Reserve."

Towns Can Succeed

RECENTLY we passed along the query of a subscriber who wished to know what could be done to keep the small town interesting.

Jay Smith of Council Bluffs, Iowa, gives us the best answer of the many we have received. Says he:

I have been in many towns in southwestern Iowa of less than 6,000 and observed some of them. Red Oak has a big calendar factory; Shenandoah, two large seed houses, several nurseries and stockfood factory; Exira and Spencer, wood-working factories; Grinnell, a great tannery and glove factory, foundry and washing-machine factory and a book-binding and ruling house doing large business; Newton, several washing-machine factories, one of which ships trainloads at a time.

Atlantic has a sheet metal factory and big mill making breakfast food as a side line, also, one of the largest canneries in the country; Clarinda has a big seed house and nursery; Carson has a chicken hatchery of 50,000-egg capacity; Horlan has a large foundry making gas engines; Oakland has a mail-order printing business and farm bureau paper published in the local newspaper plant, while Peterson furnishes electricity for 15 or 20 towns in northwestern Iowa.

Clay Center, Nebraska, has a big incubator factory; Nebraska City used to have a dress and shirt factory; Waterloo has the largest wholesale seed corn and vine seed house in the world; it has less than 500 population.

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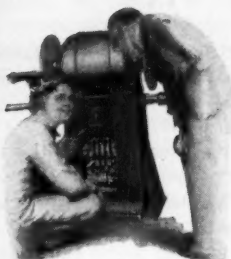
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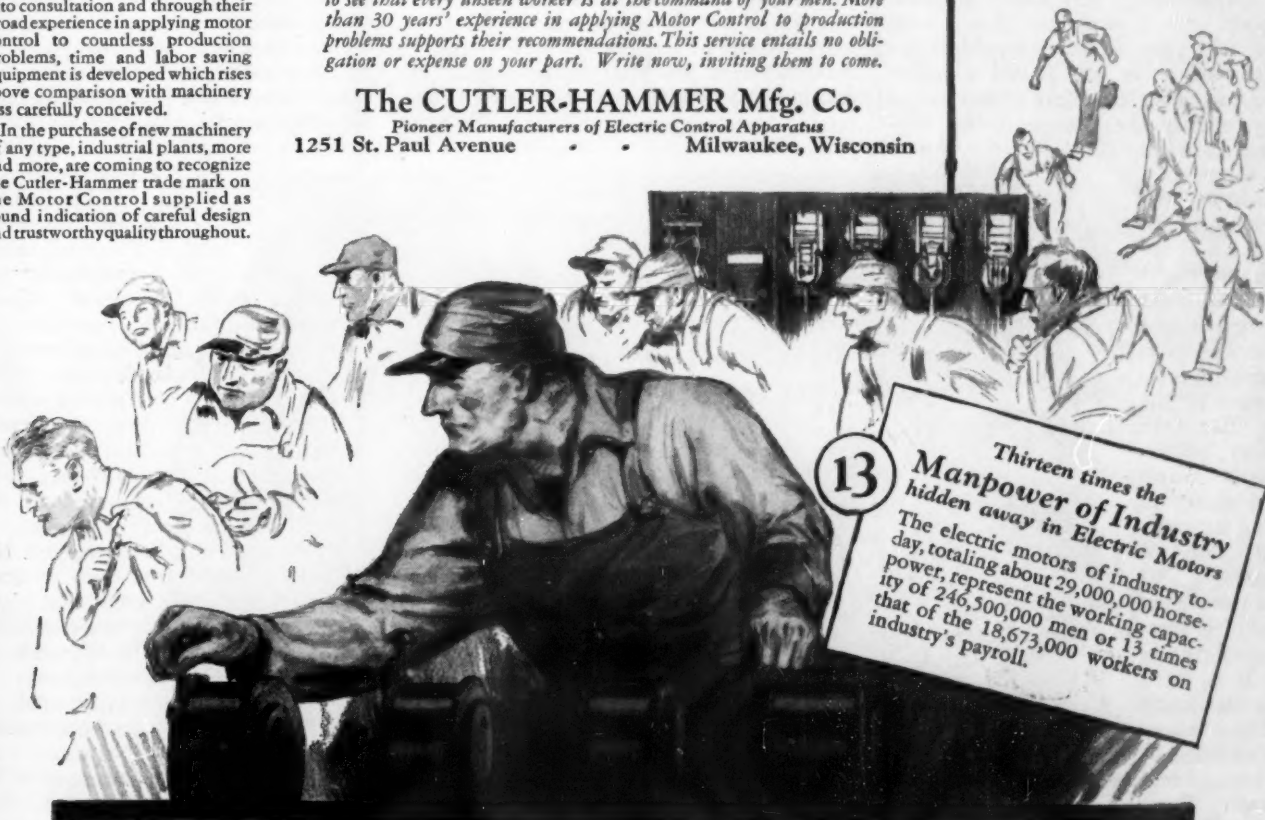


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The Quest of the Perfect Package

IN A SINGLE year—1920—the railroads paid shippers \$119,000,000 in claims for damage to goods in transit. Too much, said the railroads.

In five years the total of such claims was cut to \$37,000,000. In that year—1925—the roads handled more than fifty-one million carloads of traffic, producing a revenue of upwards of four and a half billions of dollars.

Total loss and damage claims were but eight-tenths of one per cent of the total revenue. Now the goal is five-tenths of a per cent.

Railroads Not Always Culpable

TO THE layman, brought up in the school of "Damn the railroads," it may be news that not all of this loss is due to handling of a sort made infamous by the "baggage smasher" of the vaudeville comedians, but much is due to careless packing by shippers. The shipper, for the good of his business, must realize this. He must realize, too, that the buyer wants the merchandise he ordered in good condition and at the time specified.

A perfect package should be the aim of every shipper; that is, the package of cheapest construction that will carry his goods satisfactorily. But many shippers are content with a container that merely complies with the railroad classifications which contain rules for 15,000 different commodities and therefore cannot, of necessity, specify the most economic container for shipment of any commodity.

It might be well to mention here the importance of studying the Freight Classification rules in building a freight container. Mr. Fitzgerald, general traffic manager of the General Electric Company, which has spent much time and money in improving its packing, said: "Next to losses, damages, and delays in transit, the payment of erroneous transportation charges is a thing to be scrupulously avoided as a source of law violations, financial loss and economic waste. There are numerous factors and elements that are conducive to the payment of charges that are higher or lower than those to which we are entitled." The most important cause is not know-

By **ROBERT L. BARNES**

Cartoon by **R. T. Salmon**

ing the various freight classification rules as they apply to a particular piece of merchandise. That is, for example, packing in a single container articles of different classes. Other factors causing miscalculation of charges are misdescription of goods or containers resulting in the application of higher or lower rates than those prescribed, application of class rates when lower commodity rates are available, improper mixing of articles for mixed carload lots, etc.

In preparing containers, shippers must consider three things: First, the nature of the goods; second, the distance they have to go; and third, the amount of handling they will receive and under what conditions.

One of the important agencies that has been working on the problem is the Freight Container Bureau of the American Railway Association. In May, 1921, its Board of Directors authorized the establishment of the Bureau, believing—and rightly, as experience has proved—that a close and detailed study of the adequacy of containers would reduce loss and damage claims.

A corps of engineers was engaged to make studies in cooperation with shippers, manufacturers and trade associations. To date twenty circulars have been issued containing tentative specifications for the con-

tainers and packing of different commodities. Their work on the Georgia peach crop alone has meant a saving of \$140,000, approximately one-half the preceding year's total.

While taking some photographs of the plant of a stove manufacturer, it was necessary to move a stove into the light. The manager of the plant said to the engineers of the Bureau, "Don't move the stove that way; it should be trucked upside down."

"Do you expect the stevedores and handlers at stations to know?" the engineers asked.

"Most certainly."

"Are all your stoves handled this way?" was the next question.

"No, only this one," the manager answered to their catechism.

"Well, do you put any mark on the crating to the effect that it should be crated upside down?"

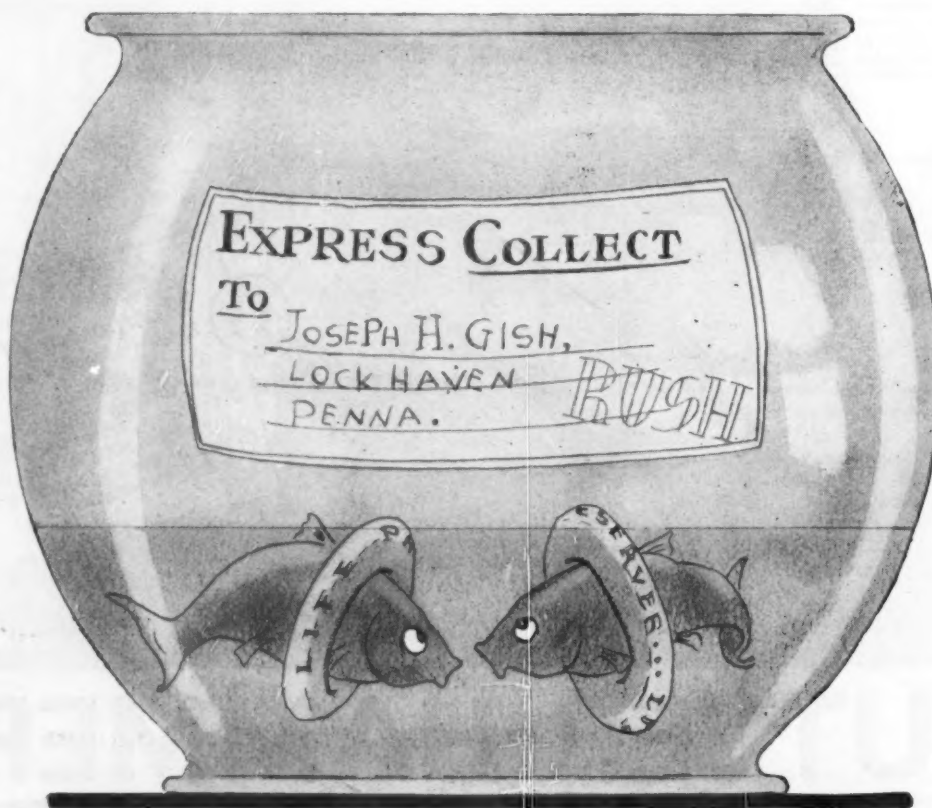
"Of course not; the handlers ought to know that," was the petulant reply.

Furniture Must Not Be Marred

THE BUREAU has given much thought to furniture. Fortunately furniture styles don't change as often as do those of ladies' dresses, but a few years ago glass tops on tables, dressers, and vanities were all the thing. Now the trend seems to be toward spindle-legged articles with fancy veneer panels and inlay, and it needs but little rubbing to cause damage.

A consumer won't buy a piece of furniture that is the slightest bit marred, though immediately after purchase Johnny and Mary give it the appearance of an antique. When the piece leaves the factory it must be in perfect condition and kept so until it arrives at the consumer's. Some goods can be refinished or reworked, but not furniture. However, there has been much improvement in container and packing methods, and so the price of the new overstuffed set carries less allowance for the damaged-in-transit sets.

A few of the many subjects the Bureau has handled are the packing and loading of casks and barrels for pottery, stoves and ranges, mercury vapor



Express companies have a problem in handling goldfish. They "drown" easily. This is but one of a myriad of perplexing difficulties the express companies must meet as distinct from those of freight handlers. The latter have troubles of their own

lamps, peanut butter in 25-pound cans, and pickles in brine.

In improved packing the Forest Products Laboratory, Madison, Wisconsin, has contributed many helpful suggestions. This institution is supported largely by the Government, and its advice is to be had for the asking. Its purpose is to develop methods for the economical conversion of standing timber into finished products.

Investigations apply to all types of wood and fiber boxes; to barrels and to crates. For carrying on tests the laboratory has devised a test drum 14 feet in diameter that can accommodate packages up to 1,000 pounds in weight. It is fitted with hazards so arranged that the container under test follows a regular cycle of drops which simulate those in transportation.

Such technical problems as metal strapping, which not only strengthens the container but is a mental hazard as well as an obstacle to the pilferer, have been carefully studied. Over two hundred thousand packages were used in determining certain rules for the use of this form of container strengthening.

Wet or dry? Neither politics nor morals are concerned when the laboratory asks this question of a box, for there are as many dangers in one extreme as in the other.

Turning to the express business, which has problems peculiar to it as distinguished from the freight business, a study of a loss and damage chart shows that, as in the case of the freight business, the greatest number of claims as well as the most heavy charges were in 1920 and since then these figures have been steadily decreasing. From the high point in that year of 166,000 claims, the number has decreased to less than 40,000. In value claims have decreased from \$2,000,000 to about \$350,000.

Gold Fish Drown En Route

TAKE, for instance, gold fish. The big problem for the express company is not to drown them. Mr. Butler, general manager of the Department of Public Relations of the American Railway Express and organizer of its 125,000 employees into a campaign that resulted in reducing the number of claims presented 82½ per cent, in commenting on this, said: "There is perhaps no one class of shipments which receives more attention in our educational campaigns than does the gold fish, but still we have difficulty in handling without what seems to us to be an abnormal loss."

The idea of drowning gold fish recalls that almost classic anecdote Frank Bacon told in "Lightnin'" about driving bees across the prairie. Perhaps the man who gave the Express Company 1,500,000 bees got the suggestion from the play. However, one advantage the company had over "Lightnin'" was that these bees were in packages and not in bulk.

Four hundred and fifty years ago Columbus demonstrated the fragility of the ends of an egg. Egg shippers since then have used this as a precept rather than as a warning. But with the advent of the cup flat, fewer eggs are being scrambled in the freight car and more in the kitchen.

The decrease in losses from \$5,000,000 in 1920 to \$600,000 in 1925 is due in part to more careful packing and in part to the use

To officers of corporations

Through its Corporate Trust Department, the Equitable relieves a corporation of much clerical and technical detail and effects a real economy in its overhead. The Equitable acts in the following capacities:

[1.]

As trustee under mortgages and deeds of trust, securing bonds of railroad, public utility and industrial corporations.

[2.]

As transfer agent and registrar of stock.

[3.]

As depositary under protective agreements or under plans of reorganization of railroad, public utility and industrial corporations.

[4.]

As agent and depositary for voting trustees.

[5.]

As assignee or receiver for corporations under action for the protection of creditors.

[6.]

As fiscal agent for the payment of bonds and coupons of states, municipalities and corporations.

Without obligating you in any way, we shall be pleased to go into detail with regard to any of the above-mentioned services.



Over \$1,750,000,000 in Railroad, Industrial and Public Utility Bonds

MORTGAGES securing over \$1,750,000,000 in bonds of a number of the nation's important industries are now in our care as trustee.

Our record as a corporate trustee and our experience in the sound and businesslike administration of these trusts is reflected in the continual growth in volume of this business entrusted to our care.

Read the column at the left—then send for our booklet: *Schedule of Fees for Corporate Trust Services.*

THE EQUITABLE TRUST COMPANY OF NEW YORK 37 WALL STREET

MADISON AVE. at 45th ST. 247 BROADWAY
MADISON AVE. at 28th ST.

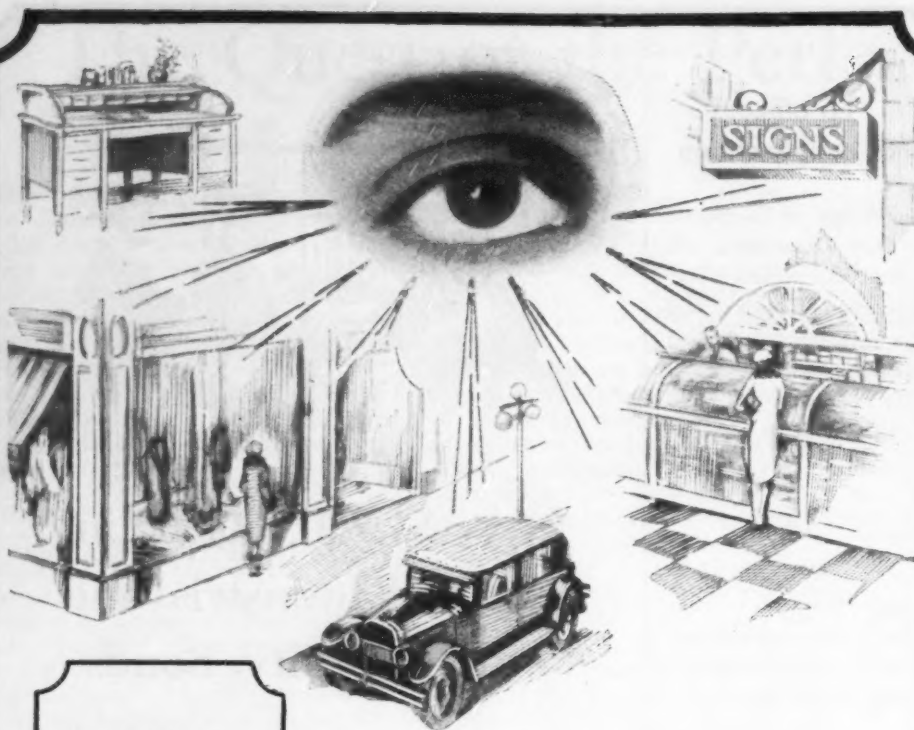
District Representatives

PHILADELPHIA: Packard Building
BALTIMORE: Keyser Bldg.,
Calvert and Redwood Sts.
ATLANTA: Healey Building
CHICAGO: 105 South La Salle St.
SAN FRANCISCO: 485 California St.

LONDON • PARIS • MEXICO CITY

Total resources more than \$450,000,000

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Automobile
Mouldings
Garnish Mould-
ing
Windshield
Tubing
Instrument
Panels
Glass Channels
Floor Moulding
Finishing
Moulding
Architectural
Shapes
Mouldings and
Shapes for:
Electric Signs
Mail Chutes
Metal Furniture
Show Cases
Store Fronts
Railway Cars
Auto Buses
Auto Trucks
Safes, etc., etc.
Metal Doors and
Trim
Elevator Inclo-
sures

It's the eye that buys

That's why talking machines, made for the ear, have handsome cabinets to charm the eye. That's why used car dealers add a coat of paint—outside, where the eye will see it.

Dahlstrom metal shapes and mouldings are helping to sell hundreds of products, from outdoor signs to furniture and motor cars. Their evident quality and aristocratic lines entice the buyer.

Study your product from the standpoint of the buyer and add the refinements which appeal to his eye. Dahlstrom can doubtless help your goods to move faster. An inquiry from you may lead to more sales.



DAHLSTROM METALLIC DOOR CO.

INCORPORATED 1904

JAMESTOWN, NEW YORK

NEW YORK
475 Fifth Ave.

CHICAGO
19 S. La Salle St.

DETROIT
5-251 General Motors Bldg.
CLEVELAND
684 The Arcade

PHILADELPHIA
514 Bulletin Bldg.

DAHLSTROM

Metal Shapes & Mouldings

of the cup flat. The flat, as manufactured by the Hole-Tite Company, utilizes the idea of suspension packing but at commercially feasible prices.

The device consists of thirty-six cup-shaped raised rings on which the ends of the egg rest.

One of the difficult problems is the increased length of eggs. Modern mass production methods, as applied to eggs, has not only increased the number but also the length of the egg. These longer eggs stick out further than their shorter brethren and take the weight of the layer of eggs above them in a case. Using the cup flat, this difficulty is eliminated, for the egg can be tipped slightly by running the hand across the top of a layer of eggs in a packing case and turning the longer ones slightly.

The slogan of these manufacturers is "Save the ends and the surface will take care of itself." The idea can be applied to a variety of articles, including glass tumblers, fragile chinaware, lamp chimneys, perfumes, cigars, and jellies.

Secretary Hoover saw the need for bringing together the work of these various agencies to make it more notably available to the shipper. So he organized the Packing Advisory Committee, composed of shippers, carriers, representatives of business, and the public.

Joe Gish, as he looks at his financial statement and sees the figures for breakage sustained by his shipment of glass topped widgets, can say to his shipping man, "Write down to the Department of Commerce and get those pamphlets on packing methods and see if there isn't something in them for us," and the chances are that he will find something that will help him.

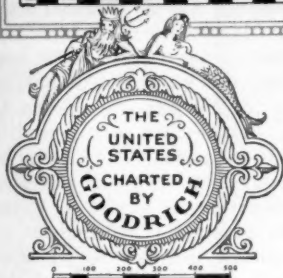
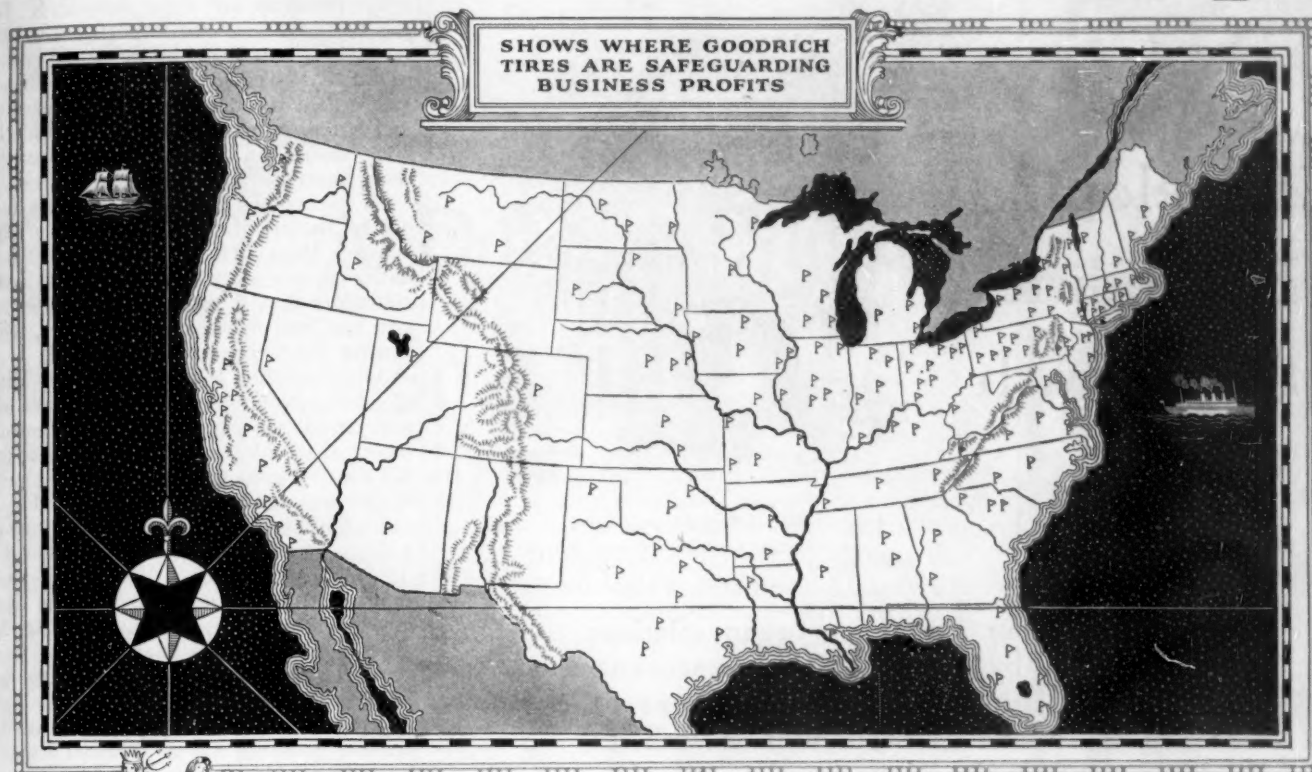
The ten published bulletins thoroughly cover the container problem. They deal with strapping, crating, fiber boxes, wire-bound boxes, paper wrapped packages, wood boxes, cooperage, baling, plywood boxes, and shipping room practices.

Forces to Improve Packages





WHAT are the forces that are working for the perfect package through the Packing Advisory Committee? First, there is the American Railway Association represented by the Heads of the Freight Container Bureau, the Freight Claim Prevention Committee and of the different freight classification territories; second, there is the post office; third, the express companies through Mr. Butler of the Railway Express; fourth, the container manufacturer's associations; fifth, the testing laboratories; sixth, the Chamber of Commerce of the United States; seventh, the Department of Commerce, which acts as a centralizing agency.

Alexander the Great never worried about breakage because his slaves absorbed the shocks of the trip from the Indus to Macedonia, carrying on their backs the spoils of his victories. But Joe Gish may well pause as he thinks of his glass-topped widgets undergoing many handlings, bumped about in freight cars which, even at 3 miles an hour, hit another car with a force of a million pounds, and subjected to train vibrations which play havoc with so many shipments. All these things and more must be thought of in making the "perfect package."

Our own "Weather Map"



LEGEND

-  Water areas—truck mileage very slight.
-  Mountain peaks—some high mileage records here.
-  Land areas—wonderful service from Goodrich Heavy Duty Silvertowns and Goodrich Solid Truck tires.
-  Goodrich branch service, nationwide.

A SURVEY of service records shows in a forceful way the truth of the point illustrated here. Goodrich Truck Tires—solids and pneumatics—play a part in economy which is reflected in the nation's prosperity.

Economies not merely in the cost of the tires themselves. These savings may take many forms. Sometimes they are savings in reductions of delays—added work secured from trucks and men, because Goodrich Tires keep on running.

Sometimes they are savings traceable to instant service—replacements secured more quickly, because Goodrich service is found everywhere.

Whatever the saving—this fact remains. The men at the tops of big businesses are taking a serious interest in trucking costs—and as a result, Goodrich truck tire sales are growing faster than the sales of the whole industry.

THE B. F. GOODRICH RUBBER COMPANY, *Established 1870*, AKRON, OHIO
In Canada: Canadian Goodrich Company, Kitchener, Ontario

Goodrich

FOR TRUCK TIRES

SOLIDS AND HEAVY DUTY SILVERTOWNS, HIGH PRESSURE OR BALLOON

When writing to THE B. F. GOODRICH RUBBER COMPANY please mention *Nation's Business*

DOES BANKING SERVICE MEAN BUSINESS
SERVICE TO YOU?

Developing Possibilities for Growth



Lombard Street Office, London
—one of eight Guaranty Offices in Europe

ONE of our customers began relations with us by opening a \$10,000 account. The company now carries balances of seven figures and transacts business with six departments of the bank.

Banking service has been an important factor in the corporation's growth. The Guaranty assisted it to establish its credit, on the basis of its net worth, earnings, and efficient management, enabling it to borrow as its normal growth required, and aided it in obtaining new capital. The corporation is now one of the most important organizations in its field.

Many of our customers have found our financial experience and comprehensive facilities invaluable. We invite executives of strong, established business concerns to discuss their problems with us.

Guaranty Trust Company of New York

140 Broadway

LONDON	PARIS	BRUSSELS
LIVERPOOL	HAVRE	ANTWERP

Can We Raise Tea?

By O. M. Kile

OUT OF OUR billion dollar annual imports of food products, tea and coffee make up just about one-third. During the past year we imported 99,410,814 pounds of tea and 1,437,364,185 pounds of coffee, valued at \$345,000,000 wholesale.

It would mean much to our agriculture and make quite a flutter in our trade balance should an acceptable substitute for these beverages come into common use.

Dr. George F. Mitchell, official tea tester of the United States Department of Agriculture, thinks that in cassina, a shrub native to our own Dixie land, we have a substitute that if properly introduced may give tea, and to some extent coffee, a real run for the future American trade.

After sampling cassina tea in Dr. Mitchell's laboratory, in competition with ordinary imported teas, the writer is bound to report that the American product is fully the equal of good imported tea and superior to the medium-priced imported grades.

Cassina has long been known and used as a drink. In fact it was commonly used by the Indians and in Civil War times entirely supplanted both tea and coffee in many southern homes. It contains the stimulant caffeine which the human race seems to demand. It has only been within the past two or three years, however, that the secret has been learned of how to prepare this product in such a way as to avoid a slightly bitter taste. Its future now seems assured.

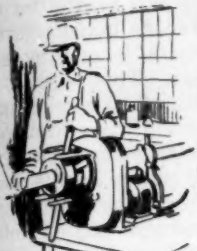
Dr. Mitchell deserves the credit not only for developing this improved manufacturing process but for introducing cassina to the world. He has worked long and hard to accomplish these ends. A few years ago he induced Congress to give the Department of Agriculture the small sum of \$5,000 for the purpose of conducting factory experiments on cassina during one summer season. He had complete charge of this experiment and often had to dig down into his own pockets to help the work along.

Harvest of First Crop

A PLANTATION at Mt. Pleasant, South Carolina, was selected for this experiment because it already boasted a fine crop of cassina in the form of a two-mile windbreak, and a suitable building to house the factory. This building, an old asparagus packing house, was converted into a tea factory by bringing in certain necessary tea machinery from other places. The manufacturing process proceeded without much trouble because nearly every detail had been carefully worked out in advance. Although this factory operated on a very small scale and for only a part of one summer it was found that by producing the green cassina alone for tea purposes, the cost of harvesting and manufacturing was only about 4½ cents a pound.

But tea is not the only product of the cassina plant. A dark brown syrup made from the extract of cured cassina leaves, when mixed with carbonated water, makes a most delicious and delightful soft drink which is claimed to be the equal of any beverage now found on the soft drink stands.

A fine flavoring extract has also been



Pipe Threader



Floor Polisher



Door Lock Mortiser



Ventilating Fan



Sprayer



Electric Ironer



Meat Grinder



Coffee Urn



Power Plane



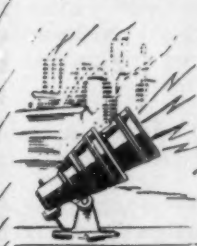
Electric Ironer



Lawn Mower



Router or Shaper



Siren

50 Different Motors for 50 Special Jobs

In the 12 years that it has served industry with fractional horsepower motors, The Domestic Electric Company has developed half a hundred special motors for as many different applications.

Among them is not a single experiment; not a motor has been sold on the basis of what it ought to do rather than what it will do. Every model was specially designed to perform exactly the work it is now performing, and to serve better than any other type or modification of type could serve.

Instead of trying to adapt industries to a line of electric motors, we have engineered motors into industries—developing new motor applications, improving old applications, modifying and fitting existing types to the fields they were to serve.

The accompanying illustrations show a few of the many fields in which Domestic Electric fractional horsepower motors have become widely popular. In all these applications the universal motor drive is used, and in every case Domestic standards of design and manufacture have effected new economies of operation and raised the efficiency of motor-driven appliances.

This service deserves the consideration of any manufacturer who employs motor-driven production devices in his own manufacturing—drills, hammers, grinders, buffers, saws, etc.—or motors in the manufacture of appliances that his organization sells. A brief inquiry will place the time of a Domestic engineer at your disposal in your own plant without obligation to you.

THE DOMESTIC ELECTRIC COMPANY

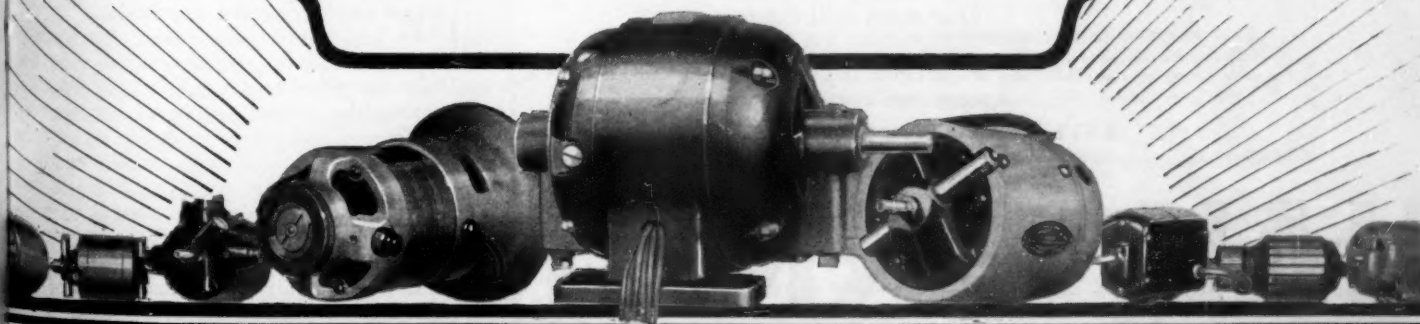
7209-25 ST. CLAIR AVE.

CLEVELAND, OHIO

Manufacturers of fractional horsepower motors exclusively

(80)

Domestic Electric Motors



When writing to THE DOMESTIC ELECTRIC COMPANY please mention Nation's Business

BUSINESS AS USUAL

Steel Partitions Installed
or rearranged without fuss—muss or noise

*The 7 points of
Superiority*

1. Complete line
2. Built of Steel
3. Attractive appearance
4. Greatest movability
5. Sensational prices
6. Easily wired
7. Erection service

*found in all types
of Hauserman Partitions*



BY using Hauserman Movable Steel Partitions you can rearrange your office layout for greater efficiency or install an entire, new installation after you have occupied the building, as did the Westinghouse Electric & Mfg. Co. and the New York Telephone Co.—with “business as usual”.

These partitions consisting of standardized steel and glass units rigidly bolted together are erected in a few hours. No interruption to business—no fuss, muss or noise. A quick, simple operation resulting in a substantial, fine looking, livable partition of outstanding value. All electric wires, ordinarily unsightly, are concealed within the hollow members.

Hauserman Movable Steel Partitions are the product of 10 years' partition experience—a proven product, not an experiment—and have been used nation-wide on large and important commercial and industrial projects.

Our story will interest you.

THE E. F. HAUSERMAN COMPANY
Largest Steel Partition Manufacturers

6811 Grant Avenue Cleveland, Ohio
New York Boston Pittsburgh Detroit Chicago Cincinnati

HAUSERMAN

MOVABLE STEEL PARTITIONS

When writing to THE E. F. HAUSERMAN COMPANY please mention Nation's Business

made from the cassina leaves and ice cream manufacturers who tried samples of this product said they will gladly use this new flavoring whenever the manufacture of it is begun. Then there is one more known product of cassina. This is similar to the Yerba Maté, a stimulating drink used very extensively in South American countries. This product does not suit the taste of North American people and is practically of no value for use in this country. However, it is believed that a profitable export trade could be built up at once with South America on Cassina Maté because of the extremely low production cost through the use of machinery.

Cassina is a shrub or small tree somewhat similar in appearance to the ordinary privet hedge and is sometimes called the Christmas berry tree because it produces a small red berry about Christmas time each year. This plant grows especially well on the poor sandy lands of the coastal plains of southeastern United States, over an area of about 40,000 square miles extending from the James River to the Rio Grande.

Cassina grows to a height of 18 to 20 feet when not disturbed or cut. However, when cultivated for the manufacture of tea, it is allowed to grow only about 5 or 6 feet high. The first year's growth from cuttings may be harvested and used and will produce good tea, but it is not until the third year that production becomes really profitable. Cassina will yield a minimum of 3,000 pounds of dried leaves per acre, while tea yields only 1,500 pounds at the most.

A Tasty Rival for Tea

DO PEOPLE like cassina tea and carbonated beverage? The way they absorbed free samples at the Charleston, South Carolina, county fair last year certainly answers that question in the affirmative. Thirty gallons of hot cassina tea and from 750 to 1,500 glasses of carbonated cassina beverage were served each day for the two weeks of the fair and everyone seemed to like it. Both of these products took so well that their commercial success now seems to be merely a matter of systematic introduction.

Although cassina may in the opinion of some rank slightly below the finest of imported teas, the green cassina that has been made under the new process is much better than the average imported tea, Dr. Mitchell says. Cassina tea should find a large market in the middle western and northwestern states where Japan green teas are now used very extensively. It is not expected that cassina will ever entirely replace tea but it is believed that at least 60 per cent of the present consumption of tea in the United States can be changed to cassina.

In addition to substituting for some of our imported tea, cassina might very well take the place of a large amount of coffee among the poorer people of our country. Caffeine is the active principle in all three of these drinks. Cassina can be made to retail at 20 cents a pound or less and only ¼ as much, by weight, is needed to make a given amount of beverage as is required of coffee.

Even relatively small substitution of cassina for our present enormous consumption of tea and coffee would bring a demand for many thousands of acres of cassina plant.

Lending Hard Money on Dreams

By James H. Collins

IT MAY NOT strike you just that way, but to me there is fascination in the twilight zone of the movie theater, where the ticketman stands, and the usherettes meet the customers.

You step from the broad day of reality outside. If it is reality—wise men have wondered. You cross the magic carpet into the world of romance, adventure, comedy—dreams.

The stuff that dreams are made of.

Now think of a banker appraising this stuff. Appraising it as accurately, for security, as the importer's cocoa beans in warehouse or the skirt manufacturer's fall orders. They do it in Hollywood, or in Los Angeles, which from the motion picture viewpoint is a suburb of Hollywood.

It takes money to make motion pictures.

Two distinctly different currencies, in fact—stage money and the actual coin of the realm.

A picture that costs a million dollars in stage money may require fully 10 per cent of that in the way of a checking balance. Millions in stage money are thrown around carelessly by the press agent. There is a glamor about these millions that keeps "fan" interest at fever heat and feeds the box office. But the real money is painstakingly budgeted. If you think Hollywood is careless with that kind, interview one of its purchasing agents! The press agent's books are never balanced, but the purchasing agent is hard boiled even in buying the materials for dreams. His morning requisitions may call for a carload of stucco, 5 tons of steel rods, a hundred pounds of black smoke, and a thousand white geese. He buys them all, in the market, for dollars. His job calls for a certain amount of imagination and a sense of humor, but he is a buyer, first, last, all the time, and a buyer is always a buyer, as a good cigar is a smoke.

The financial side of Hollywood runs all the way from straight banking on good commercial paper or balance sheets down to the purloining of suckers' money by the swindling "producer."

Mass Production of Dreams

MAKE even dreams in quantity production, and your standing at the bank will be exactly that of the large motor manufacturer or the chain grocery company. The half-dozen great producing corporations in this industry, whose names are known all over the world as valuable brands, make complete programs for the theaters year in and year out. One picture may be an enormously popular success, while another may show a loss, but the steady output runs fairly true to average manufacturing profit. These concerns have relations with distributors like those of the breakfast food manufacturer in the jobbing trade. They spend money in systematic advertising. They are now taking steps to own "retail outlets" in the form of



Gallant Manufacturers

MOST retail stores have two doors. A back door for the manufacturer's goods; a front door for the customers. The good merchant is usually to be found near the front door. Time was when the manufacturer was content to edge in the back door. Up front—that was the dealer's lookout.

Today most manufacturers march in the front door, leading the customer in tow with advertising. Then they help fill her arms by clever displays and sales aids undreamed of not so long ago. Dealer and manufacturer, together, they now watch that front door.

Some manufacturers don't stop there. They walk out with the customer—down the street and into her home with their advertisement on the bag she carries. The dealer gave her that bag, but it is their goods she is carrying, and they know an advertisement in the hand is worth two in the papers.

Often they make a friendly compromise. They both "see her home", two names on the bag. Arrange it either way you can. All good ways are good when you are courting. Be gallant, but be practical. Be sure it is a good bag before you put your name on it.

Continental makes the best bags, economical, in the widest choice of papers, and prints them to order in its own plants.

We are now serving many manufacturers, selling goods of various kinds, but alike in realizing what it is worth to them to have millions of customers carrying home their goods, with their name and sales message on the outside of the parcel.

Ask to see samples of Continental advertising bags. And if you are now using paper or bags which fail you in any way, let our laboratory experts serve you. Continental makes or can make the paper you need.

Foremost Specialists in Wrapping Paper and Bags

CONTINENTAL PAPER & BAG MILLS CORPORATION

Executive Offices: 100 East 42nd Street, New York



"VISITORS WELCOME!" says it's a well-organized business—organized so completely that it can be proud of every department and every detail. It's equipped with the latest labor-saving and money-making devices—and run accordingly.

It is in just such money-making plants that you find "Hallowell" all-steel work-benches and all-steel factory equipment—clean-cut, strong, fire- and splinter-proof, long-lived—in short, *eminently serviceable*! Such equipment makes better work possible—and easier!

On the other hand, wooden work-benches slow down production—and cost a lot of money, everything considered: the lumber, with its waste of odds and ends, piece-meal carpentering, rapid wear and tear—and, the danger! Wooden work-benches do burn lustily, especially when oil soaked.



STURDY ALL-STEEL CONSTRUCTION

By contrast with wood, the "Hallowell" all-steel equipment is of standardized, scientific construction. Each part combines maximum strength with interchangeability, so it is merely a matter of bolting the parts together, a job anybody can do; hardly any labor, and no mess, and no waste. Moreover, "Hallowell" work-benches are made in standard lengths and can be set up by sections, to make any necessary length, instantly removable, without loss. And finally "Hallowell" all-steel equipment is carried in stock, ready for immediate delivery.

"Hallowell" all-steel tool stands or shop dollies (equipped with casters) are also most convenient. They speed up work on jobs where it is more convenient to take the bench and tools to the job, than to move the job to the bench. Then, there are our all-steel tables, which have in the main the characteristics of the all-steel work-benches.

All these things are described in our new folders. The executive who wants such efficiency as will let him hang out a "Visitors Welcome" sign will enjoy the full "Hallowell" story of money saved and the fire hazard averted. For these illustrated circulars, and the advice and help of our executives (for we of course have the same administrative problems as confront you), kindly address our Service Extension Department 20.

Standard Pressed Steel Co.
Jenkintown, Penna.

splendid picture theaters throughout the country.

So when these leaders need money, they borrow at the bank for short-term purposes, or sell stocks or bonds for the financing of theater buildings, purchasing new studios, and so forth. Their paper is among the best in the country, and there is banking competition to get it.

Far more interesting is the financing of pictures produced by companies whose requirements take them out of regular banking channels. Their money is advanced by finance companies pretty much like the concerns that enable Bill Smith to purchase an automobile on the instalment plan.

If the corporation for which Bill Smith works needed money to buy a fleet of motor trucks, it could borrow at the bank and pay cash. When Bill Smith wants a touring car, a bank cannot lend him the money, but a finance company can. The finance company investigates Bill's job, salary, character and so forth, and handles the transaction in ways that are now familiar to every Bill Smith in the land.

The finance company in the movie field advances funds for the making of dreams largely upon the character of the dream maker. It wants to know whom he has made dreams for in the past, how the public has expressed its appreciation of his dreams at the box office, what sort of dream he proposes to make now, and what it is going to cost, approximately.

Loan Value of Visions

THESE finance companies have facilities for weighing movie dreams accurately. Picture-wise officers. Their judgment, backed by records of Who Did Who, enables them to place a proposal in an imaginary balance, and tell, in dollars, the collateral value of thrills that will be enjoyed by movie audiences six months hence. Not a foot of film has been shot, not a set built, nor an actor engaged, but they gauge the dream that is to be, because that is their business.

Hollywood is full of dreams. The town beauty who won the local popularity contest is there, scrimping along on an occasional day's work as an extra, dreaming of stardom. The school girls dress like picture actresses and dream of a director meeting them on the way to school and snatching the books out of their hands. The star of yesterday dreams of becoming a director; the director dreams of winning his freedom and becoming a producer. Merton is there, dreaming of his public-yet-to-be, and Izzy is still an office boy, with his dream of "Isadore presents." Dreams of all kinds, in every stage of realization, from the cirrus cloud of the fellow who has a wishbone instead of a backbone, to the solid proposal interesting to a finance company.

Finance companies' money consists of capital funds obtained from investors—it is not bank deposits, of course. The business, well managed, is profitable, so a company of standing has borrowing facilities at banks. Thus a successful, responsible company may have a million or two of capital resources and be able to borrow as much more.

You cannot escape the parallel between

moving pictures and the grocery business. This jars delicate souls, but simply to explain picture finance necessitates comparison with something solid, like the grocery business.

If a breakfast food manufacturer went to a bank with signed orders from wholesale grocers, he could borrow for production. One of the most tangible proposals laid before the movie finance company is that of the producer, or manufacturer of pictures, who has an agreement with distributors, or wholesalers, to take his production.

In the grocery business, wholesale houses frequently become manufacturers of the commodities they sell. In the movie business, distributors may undertake the manufacture of pictures themselves, in the same way, to sell to their retail trade, the theater owners, who correspond to corner grocers. And the theater owners also band together to make pictures in competition with the producing companies and the distributors. These three divisions of the industry are just now in hot competition, with the theater owners making pictures and the producers buying theaters, and the distributors, in between, doing both.

Then, there are small producers who make pictures on the "state rights" basis. They may be compared with small manufacturers in the grocery business who have not attained national distribution. The state right producer has effected no connection with the big distributing organizations but makes his picture and then sells the rights to different distributors in each state, or as many states as he can, or even to customers who see money to be made in distributing a picture among the theaters of a single big city.

In the grocery business there are fellows with new inventions or ideas, seeking to become manufacturers. And in the picture business one finds free-lance producers with ideas for pictures, but no capital or distributing connections, who hope to become stable producers on the merits of their creations. For a beginning, with some money, they can rent studios, hire cheap actors, arrange for a little time from some star—these potential borrowers range from adventurers who will make a picture in one week, for a few thousand dollars, and sometimes successfully, to the young men of great promise who may be built up into a big producing firm by a discerning financier, as has happened more than once.

Bank Methods for Movie Loans

THESE proposals come to the finance company officer. He is generally a bank man, for the movie finance company is an offshoot of banking institutions, set up as an independent lender in a field outside the banking institution's field. It must be clearly understood that it has no connection with banks, yet its transactions are generally supervised by bankers, and the general basis of dealing is that of a bank. The profits are banking profits, and the security is banking security in keeping with the higher profit permissible to a finance company.

"I want to make a picture," says the customer.

"All right; have you made any arrange-

ments for distribution?" asks the finance company man.

If there is an agreement, and the distributing set-up assures a satisfactory sale of the picture, they may enter into an agreement then and there. The distributors who have already contracted with him for his picture have done all the spade work. Their confidence is as good as bank credit with the finance company. There remains only the drawing of a contract by which the company advances money to manufacture, and the producer assigns his receipts up to a certain amount to pay off the loan with interest.

Many of the loans made on this basis of distributing agreements pass almost as a matter of routine, for the borrower may be a producer who has regular connections with distributors, or be an organization of distributors or theater owners who have their retail market under control.

Influence of Past Record

THEN the financial man digs into his memory and files, consulting the figurative but standard movie reference book entitled "Who Did Who." Who is this producer, has he made pictures before, and were they profitable? Who will be his director, and what is his box office value? Has he engaged players of reputation, or perhaps a star whose drawing power, though not yet big, is developing? What is the story he purposes to film—is it in line with recent successes, or something novel that promises to be a hit? Here is a business where the successful directors and players soon gain connections with the largest producing companies, upon their ability to draw money to the box office. At the same time, such are the chances and changes, the magic of fresh personalities and methods, the value of original departures, and the changeability of popular taste, that new people are constantly emerging.

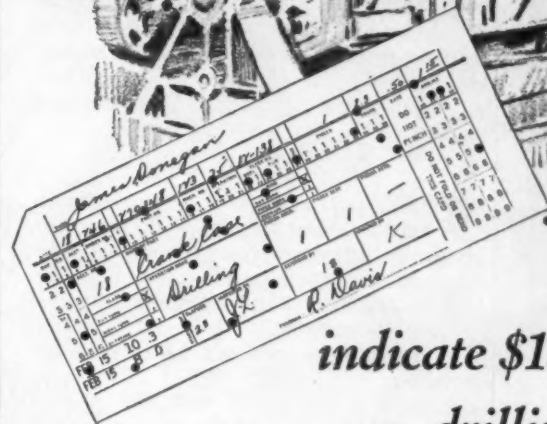
Here, in fact, is the dream stuff, and the financial man has to appraise it for a loan. That doesn't seem much like the passing upon commercial loans in a supervised bank. But the methods are similar.

The bank manager looks at the borrower's balance sheet, and so does the finance company manager. One balance sheet consists of stock, fixtures, bills outstanding and so forth. The other consists of pictures made and their success or failure. The finance company keeps close track of events in the picture world through movie trade publications and personal contacts, and can turn to files for clippings and statements which show what this particular borrower has done.

The bank manager considers the character of the borrower—his ability as a business man, principally. The finance company manager considers his customer's ability as a picture maker—perhaps he is a fellow who has shown ability in his work for others but has no record as yet of successful productions.

"What do you estimate that your picture will cost?" is asked, as a rule, except where the loan is made to a regular customer, and the finance company and the borrower go into details together, often with very happy results for both. The bor-

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THIS is the basic record of your actual labor cost of production.

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But this is not all!

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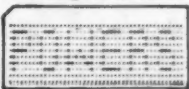
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Powers equipment is in general use wherever such work as this is done:

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rower may have either underestimated or overestimated his costs. Out of experience, the financial man can advise him, showing economies here, or assuring that he will not run short of money there. From \$50,000 to \$150,000 is the average cost of making such pictures. It is quite true that big producers do spend millions on "million-dollar" films, but they work on a grander scale than the kind of producers we have been describing, often spending money for the sake of spending, to obtain effects that outdo anything ever filmed before.

The big companies, too, take greater chances than these producers can afford to take. In the filming of a great historical picture last summer, for example, with a thousand extra actors in camp at Santa Catalina Island and a fleet of two dozen sailing ships, it was said that every stormy day, when the sea was too rough for work, cost the company \$30,000. Maybe a discount should be taken on that, but as extra people are paid from \$7.50 to \$15 a day, and fed while on location as well, there was a big overhead to carry. This company worked on the island several weeks.

Art vs. Box Receipts

MONEY and art fight a constant trench warfare. Banking interests gauge the picture industry largely by its box office receipts, while picture people complain of the cold, calculating dollar diplomacy that limits their enterprises.

As usual, there are two sides to this controversy.

Popular sympathy is with the picture folks. The public and the picture critics upbraid Finance for its conservatism in advancing money to make "artistic" pictures, as contrasted with the big box office successes which are denounced as "hick" entertainment. But the great national public has refused so often to respond to Art at the box office, and pay production costs of such artistic films as "The Last Laugh" and "A Woman of Paris," that banking conservatism is justified. Then, it is easy to assert that a picture which fails was High Art, above the heads of the theater patrons, when it may have been simply a bad picture.

The truth is, that picture theaters must draw paying audiences day in and day out, all through the year. The level of intelligence in audiences is probably higher than picture producers and exhibitors believe it to be, but there is a vast country population in the United States that has yet to learn the conventions of the theater as they are known to city dwellers. This audience is learning rapidly. Not so many years ago it was necessary, when a character died in a picture, to first show him lying dead, then cover his face, and, finally, to be certain that the last person in the audience understood that he was dead, all the other characters removed their hats. Today, audiences catch points like this quicker and are constantly learning the conventions of the theater—learning to read the picture stories faster, as children learn to read tales after mastering the A, B, C.

In a small Texas town, some months ago, while motoring to California, my wife and I went to the little movie theater. Next

to us sat a cowboy, who commented on the story as it developed.

"Why, that fellow took the wrong paper," he would say. "Did you see him? He took the wrong paper, I tell you—now you watch. There's going to be trouble about this!"

When fellows like the cowboy learn that taking the wrong paper is part of the story—and they are learning fast—pictures can be more artistic, and bankers can lend with more confidence for their making. Until that happy day arrives, however, the banker must figure as the villain in blocking Art. The real villain is the great American public, but the banker must be the goat. Fortunately, he is used to it.

Losses by Careless Investments

NEXT to the stage money that figures in the film industry, probably its largest currency is the money that has been sunk in pictures that never had the ghost of a chance. There is a double fascination about breaking in with money—that of becoming a screen personage, and the additional possibility that, by financing the production of a picture, one may share in the millions made by motion pictures. The chance of sharing, in these days, with the high organization of the great moving picture corporations is about the same as participating in the affluence of the United States Steel Corporation or Standard Oil by financing an individual steel mill or refinery.

Yet Southern California is full of people who have sunk small fortunes in the movies, as amateur producers, and full of crooks prepared to sink money for others. In one of the moving picture magazines recently there was told the story of "The Port of Missing Films," a Long Island storage warehouse where thousands of pictures made with suckers' money are put away forever after unsuccessful efforts to dispose of them to exhibitors.

Just as the movie magazines have raised the hopes of millions of young people with their stories of sudden rises to screen fame and fortune, so they have deluded thousands of sober, middle-aged people with money into the belief that a film made by people outside the industry may prove a wonderful attraction and make the fortune of the man or woman who puts up money for production. Shrewd swindlers have nursed this belief, with the result that many a hard-boiled business man has paid thousands of dollars to make a worthless film, a little of the money going into the picture and the rest into the promoter's pocket. The lure of the industry overcomes ordinary business caution.

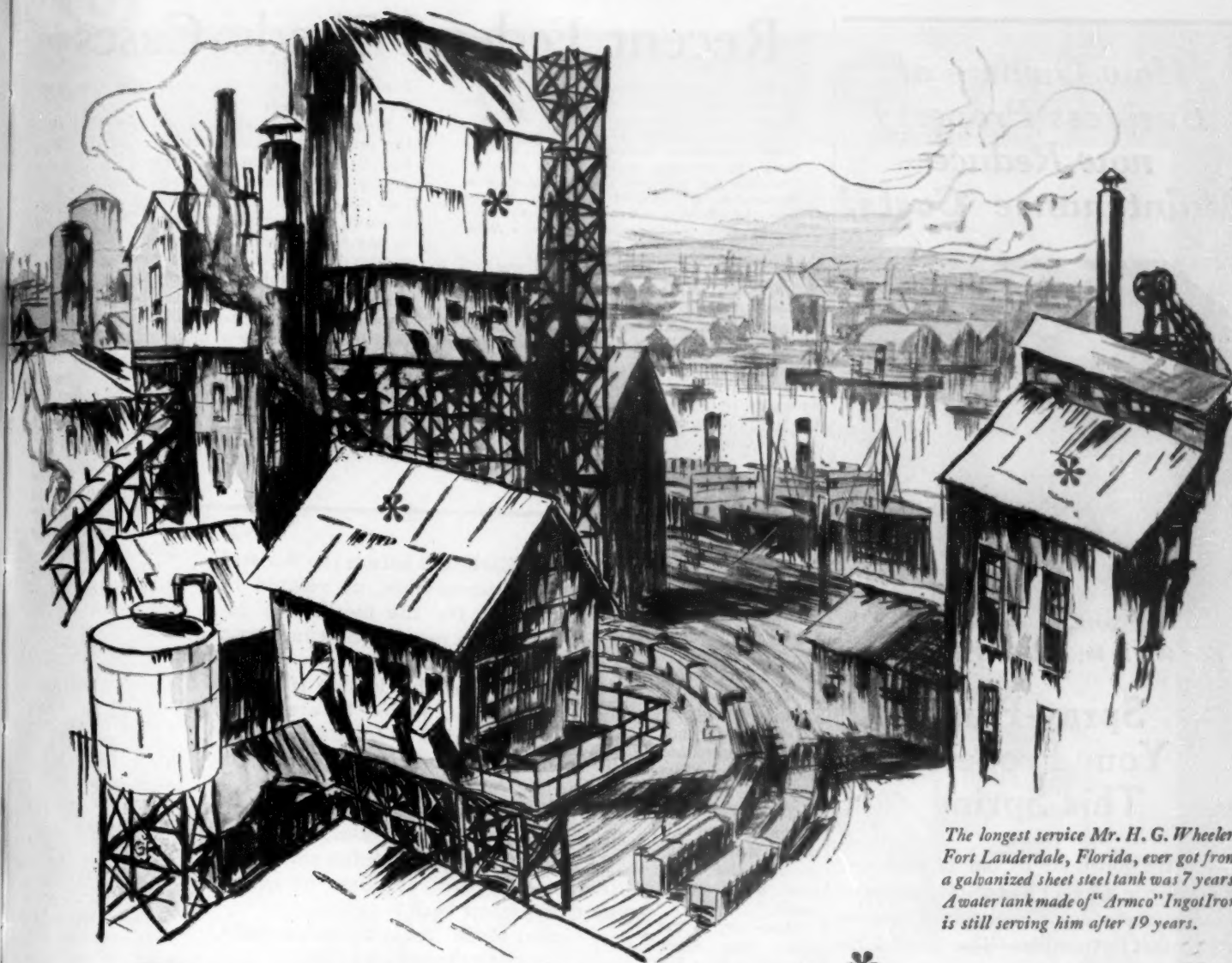
The promoter is "high powered." The business man's judgment is attacked from the rear by such a motive as pride in his family, and perhaps a desire to see a son or daughter figuring in the movies. If sound business judgment can be overridden in such ways, picture yourself what happens when the lure of the movies is skillfully dangled before women with money.

So, there are really three kinds of money in Hollywood:

Actual working capital secured through banking or finance companies.

The stage millions you read about.

The money that went glimmering.



The longest service Mr. H. G. Wheeler, Fort Lauderdale, Florida, ever got from a galvanized sheet steel tank was 7 years. A water tank made of "Armco" Ingot Iron is still serving him after 19 years.

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In every industry, rust-fire is consuming equipment and profits. How "Armco" Ingot Iron insures against this loss

An unsuspected fire is burning night and day in thousands of industrial plants. This fire is *rust*—more treacherous than flames because it gives no warning.

It is costing American business millions. For the insurance indemnity on rust-fire is always paid out of profits... no policy covers it.

So, more and more, executives are insuring against this terrific waste by specifying "Armco" Ingot Iron for every sheet metal job.

"Armco" Ingot Iron is practically free from the impurities that hasten rust in steels and other irons. It gives unequalled service under even the most severe conditions because "Armco" Ingot Iron is the purest iron made.

Wherever you would fight rust—on the roofs and sides of factory buildings, in coal tipples, on railroad cars, in tanks and heating systems—there "Armco" Ingot Iron will give long life-service at lowest cost per year.

The use of "Armco" Ingot Iron is also an economy when labor costs are

figured. Sixty cents of every dollar on a sheet metal job is spent for labor... so it doesn't pay to invest men's time in metals of shorter life. Moreover, there's a big time saving when "Armco" Ingot Iron is used because it is so ductile and easy to handle.

For both new buildings and repairs it is good business to insist on "Armco" Ingot

Iron. Look for the Armco Triangle on every sheet. It is your guarantee of a long-time sheet metal job.

And in Homeowners and builders, too, are saving the **the HOME...** cost and annoyance of frequent repairs. They are insisting on galvanized "Armco" Ingot Iron for gutters, downspouts, flashings... and other

weather-exposed metal parts about a house.

Here, "Armco" Ingot Iron offers a double protection against rust. For it takes and holds a coat of zinc much purer than the galvanizing on steel. Look for the sheet metal shop in your neighborhood that displays the Ingot Iron sign.



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*** RUST-FIRE!** The only difference between rusting and burning is time—both are oxidation. You can feel and see the fire produced by rapid burning. But when metal rusts the process is too slow to see. Rust is the "ash" of this fire.



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of products requiring substantial paint, lacquer or enamel finishes, will enthuse over the latest, comprehensive developments of Binks Finishing Equipment. Full details upon request.

At the low cost of spray-painting by the Binks method, all business and factory buildings can now be kept light, bright and successful looking. All without interference with production. Make dark court walls and elevator shafts reflect light from cleanly sprayed walls. Binks Portable Spray Painting Equipment deposits lead and oil paints, enamels, lacquers, varnishes, graphites, red leads, oxide and aluminum paints.

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Recent Federal Trade Cases

Copies of the Commission's complaints, respondents' answers, and the Commission's orders to "cease and desist," or of dismissal may be obtained from the offices of the Federal Trade Commission, Washington, D. C., without charge by reference to the docket numbers. Transcripts of testimony may be inspected in Washington, or purchased at 25 cents a page from the official reporter, whose name is obtainable from the Commission.—Editor's Note.

THREE DECISIONS handed down by the Supreme Court have important bearing on the problem of control of competition. Since these decisions have been handed down the Commission has asked the Court to reconsider its decision in the Swift and Thatcher cases. All the proceedings were instituted under section seven of the Clayton Act prohibiting the acquisition of stock control of competing concerns.

In the case of the Western Meat Company which had acquired the stock but not the physical assets of the Nevada Packing Company, the Commission ordered that the Western Meat Company divest itself of the stock of the Nevada Packing Company and must not thereafter purchase the assets. The Supreme Court supported the Commission in this order thereby reversing the decision of a lower court.

However, in the other two cases, that of the Thatcher Manufacturing Company and of Swift and Company, these companies had acquired the physical assets as well as the stock of competitors before the filing of the Commission's complaints. The Supreme Court held in these two cases that although the stock had been acquired illegally the Commission cannot under section seven of the Clayton Act order divestment of assets when purchased prior to the filing of complaint by the Commission. In these cases also the Supreme Court reversed the decision of lower courts.

Justices Brandeis, Holmes, and Stone dissented from the majority opinion in the Swift and Thatcher cases, believing that the Commission has the power to require a re-transfer of assets even though the companies succeed in securing them before the Commission institutes proceedings.

TWENTY-FIVE firms handling approximately 70 per cent of the volume of household disinfectants were represented at a trade practice conference of the Insecticide and Disinfectant Industry held in Indianapolis on November 10th, 1926. The purpose of the conference was to permit the industry to formulate for itself rules of business conduct which would result in defining and prohibiting practices recognized as unfair, wrongful, or detrimental to the public and to the industry. This to the end that individual prosecutions may be avoided and all concerns be put on a fair competitive basis by elim-

inating at one and the same time the practices condemned.

Previous investigations had revealed that the practice of giving premiums or gratuities had been extended and abused in this industry particularly in the southern and central states until it had assumed the proportions of commercial bribery. This practice in any form or under any circumstances cannot be defended as good business or as beneficial to the public. It had also been shown that a surprisingly large number of persons purchasing supplies for public or semi-public institutions had been induced by gratuities to make purchases of disinfectants in such large quantities as to be out of all proportion to the needs of their respective institutions whose interests these persons were employed to protect. It was related that one concern succeeded in securing \$1,000 above

its usual charge for disinfectants by giving a piano which cost only \$330.

The representatives of the industry present at the conference unanimously adopted a resolution condemning the practice of giving gratuities or premiums of any sort. The Commission after study of the resolution approved it.

THE UNITED STATES Circuit Court of Appeals for the 2nd circuit has sustained an order of the Commission in its Docket 1166 which requires a paint

manufacturer to cease using the brand "Combination White Lead" on paint unless it contains at least 50 per cent of sulphate of lead or carbonate of lead or the two in combination.

The Commission had found that the respondent, a manufacturer of paint, branded its product with the words "Combination White Lead" when the amount of white lead in the product did not exceed 3 per cent of its total ingredients. In its findings the Commission defined "White lead" and "Combination white lead" as follows: "White lead is commonly understood and used by both the trade and the purchasing public to designate either sulphate of lead or carbonate of lead. The term 'Combination White Lead' is commonly understood and used by both the trade and the purchasing public to designate a mixture of genuine white lead with other ingredients in which mixture the white lead is not less than 50 per cent, by weight." The Commission's order which the Court has now sustained, requires the manufacturer to cease using the brand "Combination White Lead" unless at least 50 per cent by weight of the product is made of sulphate of lead or carbonate of lead or the two in combination.

A NEW YORK CITY concern manufacturing caps intended for miners, shopmen and railroaders must discontinue the practice of using the label "Union Made." The findings show that the concern shortly

The Graybar Tag—
symbol of distribution



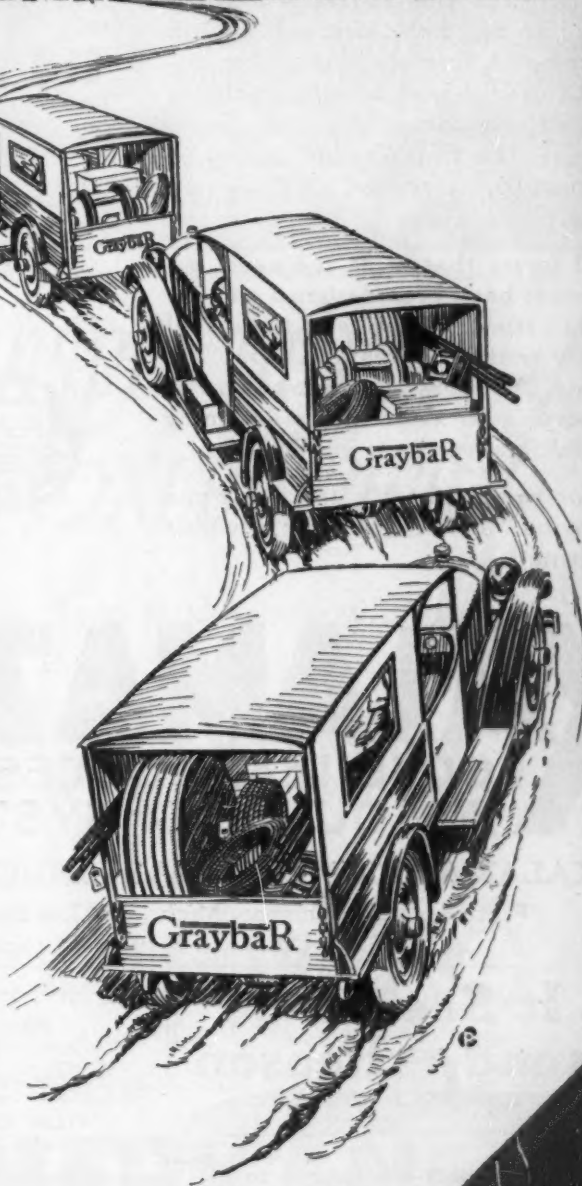
Service of supply

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As a business leader, there is a decided value to you in concentrating at the front lines of production rather than wasting your efforts foraging in the rear for electrical supplies.

Put it up to Graybar Electric, to get the thousand and one supplies you want and to deliver them when and where you want them.

Fifty-eight years of experience has given Graybar a background for real service. A system of 60 distributing houses covering the nation has made that experience readily available in every nook and corner of industrial America.



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To save space, add ease to handling, increase value through portability, lend convenience to reference and to speed up posting, the size of record sheets and loose leaf binders for use with bookkeeping machines have been greatly reduced.

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Several forms that meet the usual requirements have been designed and are carried in stock. Samples of these will be gladly sent upon request. Our Accounting Advisory Department is at your service to assist in the designing of special forms to meet your needs.

Send for pamphlet fully describing and illustrating "Kalamazoo" for machine accounting.



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Loose Leaf
Books
for
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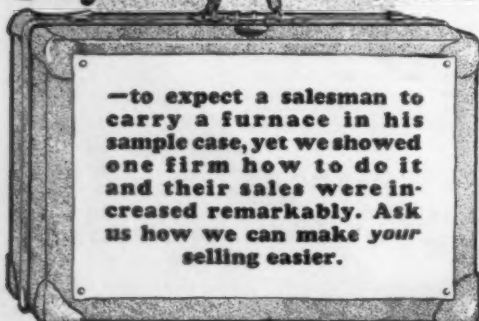
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It Seemed Beyond Reason



—to expect a salesman to carry a furnace in his sample case, yet we showed one firm how to do it and their sales were increased remarkably. Ask us how we can make your selling easier.

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after beginning business obtained from the Cloth Hat, Cap, and Millinery Workers' International Union the right to use the cloth label bearing the name of the union, which signified that the cap bearing such a label was manufactured in a shop recognized as a union shop. The label is copyrighted and the property of the union.

The Commission also found that in April, 1922, the union withdrew its recognition of the respondent's factory as a union shop and that after that date the respondents did not employ union labor but continued to use the union labels. "Union Made" continues the findings, is generally understood to mean that goods bearing such labels are made by artisans, craftsmen and laborers who are labor union members. This practice, the Commission found, resulted in a deception of the purchasing public and injury to the respondents' union-shop competitors who truthfully advertised their products. (Docket 1315.)

SINCE there were no medicants in "Royal Medicated Cuticle Doctor Soap," the Commission has directed a soap company of Kansas City, Mo., to discontinue the practice of selling or advertising ordinary toilet soap under that name. The Commission found that the respondent represented to his dealers that his soap was medicated and contained various ingredients having a curative and healing effect, and that after stocking a dealer with the soap he inserted advertisements in the dealer's local newspapers describing the soap as medicated and having a curative effect on the skin.

The findings conclude that the soap contained no medicated ingredients and that the use by the respondent of the name "Royal Medicated Cuticle Doctor Soap" in his advertising, in his representations to the dealer, on the wrapper of the soap and stamped in the cake, caused many of the trade and public to purchase the respondent's soap in the belief that it possessed curative and healing qualities not to be found in ordinary toilet soap. The Commission therefore issued a cease and desist order. (Docket 1289.)

A NEW YORK CITY concern doing approximately a million dollar a year business and expending from \$2,000 to \$2,500 per week for advertising in newspapers of general circulation is required by the Commission to discontinue certain false and misleading advertising in connection with the sale of furniture. In their advertisements they represented that they sold Grand Rapids furniture and were factory representatives of certain manufacturing concerns.

The Commission found these representations to be entirely false and misleading inasmuch as the company has no affiliation with furniture makers of Grand Rapids and does not own, control or have any connection with any furniture factory. Furthermore, it was found that the company's stock contained only an inconsequential amount of genuine Grand Rapids furniture. The Commission found this to be an unfair method of competition and unfairly to divert trade from competitors who do not misrepresent their goods. (Docket 1193.)

AN INQUIRY into the petroleum industry, directed by a Senate Resolution approved June 3, 1926, is directed to the question of the advances in petroleum prices, whether said advances are due to restraints of trade or conditions of ownership or control preventing effective competition, and to the profits of the principal companies in this industry. The field work on this inquiry has been nearly completed and the report is in course of preparation.

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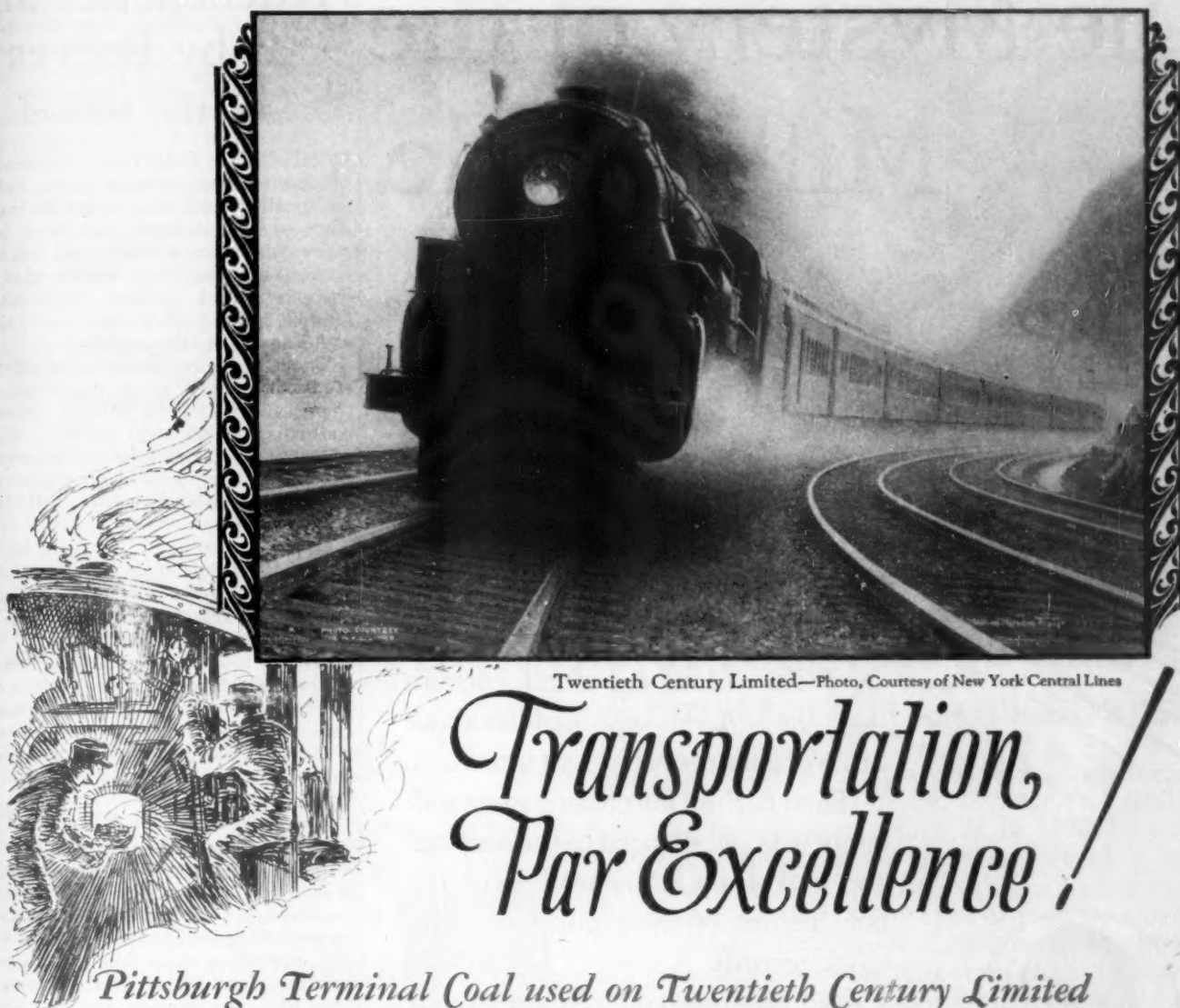
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Twentieth Century Limited—Photo, Courtesy of New York Central Lines

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THE UNITED COAL & DOCK CO.
Milwaukee, Wisconsin

NACCO STEAMSHIP LINE, INC.
Cleveland, Ohio

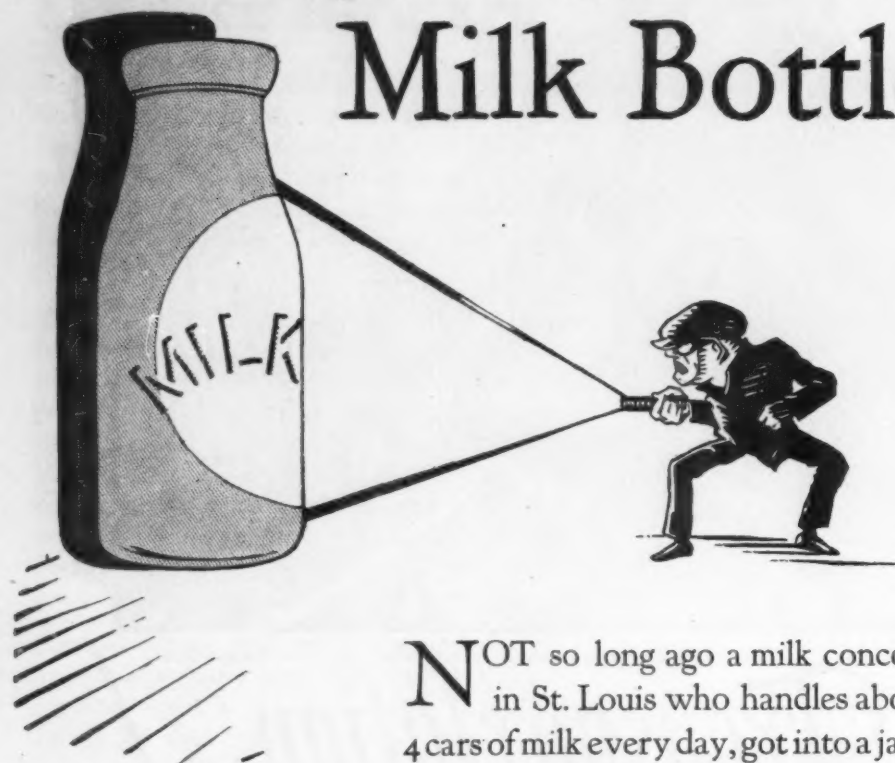
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Canada Coal Ltd., Toronto,
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The Mystery of the Milk Bottle



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200 Baker-Vawter men like Mr. Byrne are covering this country helping thousands of concerns simplify office work and cut down expense and wasted time.

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You can get a lot out of your Baker-Vawter man. Phone him or write us at Benton Harbor, Mich., if you need truthful, intelligent advice. You'll get it.

NOT so long ago a milk concern in St. Louis who handles about 4 cars of milk every day, got into a jam.

Their faithful purchasing agent suddenly was ambulated to the hospital, and locked up in his head went the only record of their purchases and stock records.

Requisitions and requests overwhelmed the new man:

"Where are the $\frac{1}{8}$ bottles?—

Where is this?—

What happened to that?—

When'll I get this?"

Mystery enveloped this milk business. No one but the patient knew the answers.

The S. O. S. was sounded for Mr. Byrne, one of our St. Louis representatives.

Mr. Byrne is no detective, but he knew how to solve this mystery, which he immediately proceeded to do.

Now this milk concern keeps record of "this" and "that" and knows what it's all about every day.

Kitchenettes and Baby Beeves

By Harry Botsford

THE CATTLEMEN on a thousand hills, despite their vantage point, failed to see, read or heed the writing on the wall. They couldn't segregate the cause, but for a few years they certainly did feel the effect. The effect was, briefly, that there was no market for beef cattle weighing around 1,350 pounds—for years the accepted and popular weight.

Truth is, the cattlemen failed to make a study of modern living conditions. And this is a day and age wherein buying and consuming habits are built on queer foundations. How was the cattleman to suspect that the modern kitchenette would dictate the size and quality of the beef he was raising?

Grandmother used to preside in a kitchen that looked as big as a skating rink as compared with the present popular affairs that masquerade as kitchens under the term kitchenette. She queened it over a vast old kitchen range that burned cheap and abundant wood or coal. She cooked for a large family, a 12-pound roast was none too large, and the business of cooking it to a turn consumed several hours and no end of fuel.

Small Kitchens and Beeves

HOW things have changed! Granddaughter's kitchen is so small that it is almost possible for her to reach from the electric range to the kitchen sink or the cleverly designed hold-all cabinet. Granddaughter has so many things that command her time that she just cannot spend much time preparing meals. Besides, since the time of grandmother, the size of the average family has shrunk to almost the vanishing point.

So, instead of the 12-pound roast that grandmother favored, granddaughter uses a 3-pound roast. Instead of cooking for several hours, the newer generation cooks the meat for forty-five minutes, allowing fifteen minutes to each pound. And thus a material saving in time and fuel is effected.

But the individual most affected has been the stockman.

At the twenty-seventh annual International Live Stock Show, held recently at the Union Stock Yards in Chicago, there was much to be seen of great interest to the visitor who had regularly attended the shows of previous years. The visitor was immediately struck by the remarkable contrast that existed in the size of the beef cattle of today as compared with those of yesteryear. Which proves rather conclusively that the cattlemen on a thousand hills have heeded the handwriting on the wall and have bowed meekly to the imperial mandates of an economic condition which is beyond their control.

Yesteryear the beef cattle shown averaged in weight about 1,350 pounds. Today, at this show, it is impossible to find beef cattle of that weight. Indeed, the

stockmen have discovered that even a 1,200-pound beef "critter" is almost unmarketable, and, if marketed, is sold at a market-minus price.

The average and popular weight today for beef cattle is approximately 1,050 pounds—no more, no less. This year's show presented to the interested visitor stall after stall of sleek black Aberdeen Angus cattle and stall after stall of mild red Herefords with white faces, coats crisply marcelled by Mother Nature. It will be noted that the heads and necks of these cattle were remarkably small, and this trait is a controlled one.

Truth is, the cattlemen are "breeding off" the neck and brisket, where the cheaper cuts of beef are found.

"Kitchenette Steaks"

FOR all this, granddaughter, with her kitchenette, her expensive fuel and her crowded days and small family, is responsible. Granddaughter stands responsible for the "baby beeves," as the cattlemen call them.

Not that one can, by any stretch of imagination, visualize granddaughter tripping into the meat market and asking for a cut from a baby beef. But granddaughter does insist on small cuts for her roasts, and when she desires a steak she asks for a "kitchenette steak," which is simply another way of saying that her preference for beef from "baby beeves" is clearly and emphatically indicated.

It took the cattlemen several years to reach a point where they could understand this complex; it took them some time to realize that here was a buying habit that was stable and growing, but when that understanding was firmly established the cattlemen hastened to abide by the new economic law.

The kitchenette has been responsible for a variety of interesting buying habits, most of which are fairly familiar: the purchase of packaged goods the physical proportions of which are small, the growing use of canned goods and the like.

But it remained for the recent International Live Stock Show to indicate, for the first time, the direct influence of an economic condition of this character on the cattle business.

Demand Raises Prices

APARTMENT living conditions and small families arbitrarily dictate the physical proportions of purchases. The complex is, undoubtedly, giving us better and more tender cuts of beef; but the condition is such that it is slowly forcing the price of prime beef upward.

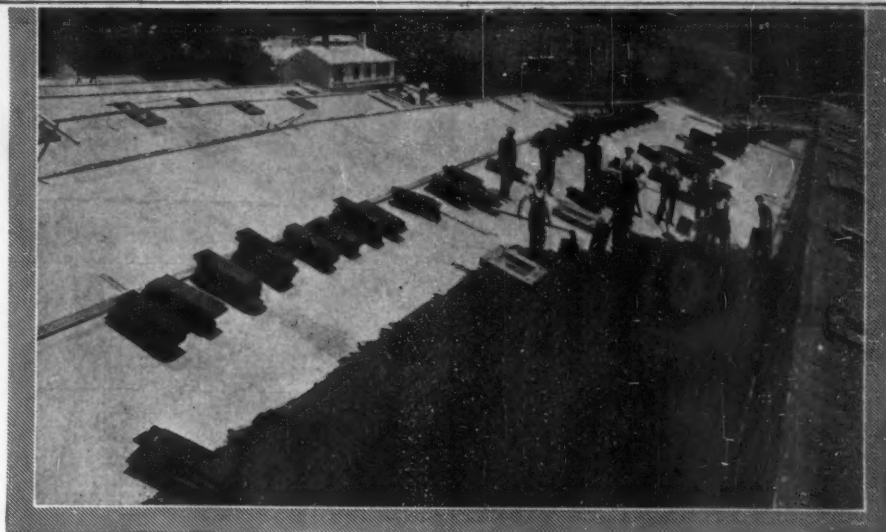
Where will granddaughter break out next?

No one knows when or where or what her next buying habit will do or whom it will affect. It is a problem that should appeal to the imaginative economist or the business man of vision. There's going to be millions in it for the individual or organization that hits the nail on the head.

Will the time ever come when some off-side buying habit of granddaughter will affect, say, the sale of power transmission machinery, the size of Hubbard squash, or low visibility of collar buttons?

Stranger things have happened!

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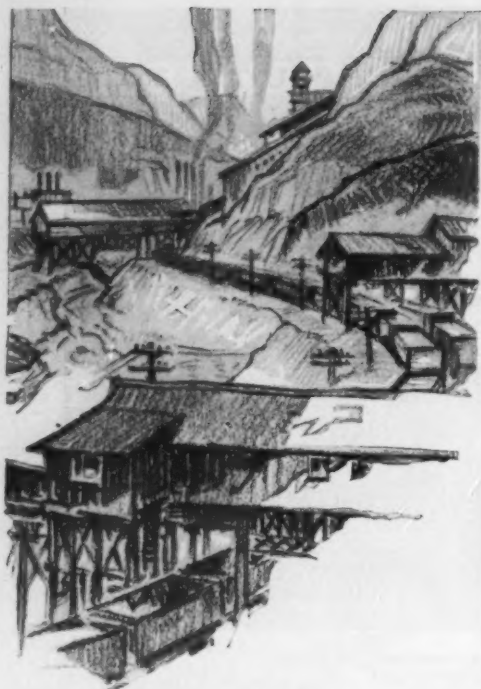
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Consolidation miners are carefully trained in this. They are all imbued with a sense of pride in the company's *clean* coal tradition.

Such is the story of Consolidation *Clean* Coal. At the beginning it is rich in heat content and is remarkably free from the constituents which fuel experts seek to avoid. But all this richness would be wasted if it were not protected by the methods of preparation which make Consolidation *Clean* Coal possible.

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Business Views in Review

By Wm. Boyd Craig

FARMERS and business men should get together and iron out their differences.

That is the consensus of opinion of U. S. Chamber members, and *Manufacturers Record* adds its approval. It says:

"Because some of the leading business men of the country, under the auspices of the National Industrial Conference Board and the United States Chamber of Commerce, have proposed a joint commission to make a careful study of the industrial conditions of the country, Congressman Dickinson of Iowa unwisely takes the ground that he believes this commission was formed 'not to get more information, but to filibuster against passage of a genuine farm-relief bill at the approaching session of Congress,' and he added that 'the farmers know their own conditions and what they need better than the National Industrial Conference Board and the National Chamber of Commerce can possibly know them.'"

"In this Mr. Dickinson is taking a view which is without justification. If there is one thing the farmers ought to desire, it is the fullest possible investigation of agricultural conditions by the foremost business men of the nation. For many years the business leaders of the country did not understand the farm situation and left entirely to the farmers and to the politicians a study of farm conditions. Recently there has been a great awakening on the part of bankers and manufacturers, who now realize that if viewed only from a selfish standpoint it is incumbent upon them to know the farm conditions and how they can be bettered.

"For years we tried to arouse the manufacturers and bankers of the country to the necessity of studying the agricultural situation. They are beginning to do it. Many bankers, throughout the South pre-eminently, are leaders in this investigation. They are doing all in their power to get at the root of the trouble and to cooperate with the farmers by advice and by financial help in the diversification of their crops and in putting their business on a sounder basis.

"As a class farmers do not conduct their operations with the same regard to business methods as do business men. Most of them do not know the exact cost of operating their farms or the gross or net results which come from their labors. They keep no set of books which could enable them or anyone else to know what every crop produced and whether it yielded a profit or a loss. It is difficult, of course, for them to do so.

"Farming is somewhat unlike any other business in this respect. But if business men can be induced to study the whole farming situation, they can from their experience in handling business matters render an important service to farmers by suggesting improved methods of accounting and possibly improved methods of producing and marketing their crops."

Well-Known Railway Leaders Comment on Motor Bus Rise

"THE BUS and truck are here to stay and will become more and more factors in the transportation of short-haul passengers and less-than-carload freight traffic."

This statement by a railroad president indicates the intense interest which railroad officials are showing in the problem of the ever-increasing growth of automotive highway transportation.

A survey of the views of seven railroad executives, gathered by *News Regarding*

Transportation, published by the American Car and Foundry Company, gives some idea of the type of consideration the roads are giving to the motor bus.

J. S. Pyeatt, president of the Denver and Rio Grande Western Railroad, finds that: "Motor trucks have brought about in some areas increased production and consumption, and have consequently added to railway traffic." But he adds: "Undoubtedly there is some freight traffic that can be handled to greater advantage by motor truck than railways, but I am convinced it has not yet been demonstrated that their use is the most economical method of transportation. I believe, therefore, that it will not be long before the cost feature of this class of freight transportation will be the most important and, when that time comes, economic law, which is inexorable, will prevail."

The Lehigh Valley Railroad has already been using motor truck service on its lines since 1924 and its president, E. E. Loomis, declares that the experiment has been highly successful. He says: "These trucking operations have proved of value to our patrons as well as to ourselves. Deliveries are made more promptly and the same is true in connection with the picking up of freight at the way stations. Elimination of such local freight as has been possible has enabled us to speed up the movement of our through trains. We are constantly making studies at other points on our lines to determine whether it would be practicable to extend the motor service."

Buses Supplement Service

RALPH BUDD, president of the Great Northern Railway, which road has taken over a number of bus operations in Minnesota and is at present operating approximately 135 buses, says: "We feel that the operation of these lines is part of the obligation of the Great Northern Railway to get adequate transportation to the territory it serves. The railway company only in this way can give the public a choice of service and should be able to eliminate wasteful duplication by withdrawing whichever service is not well patronized."

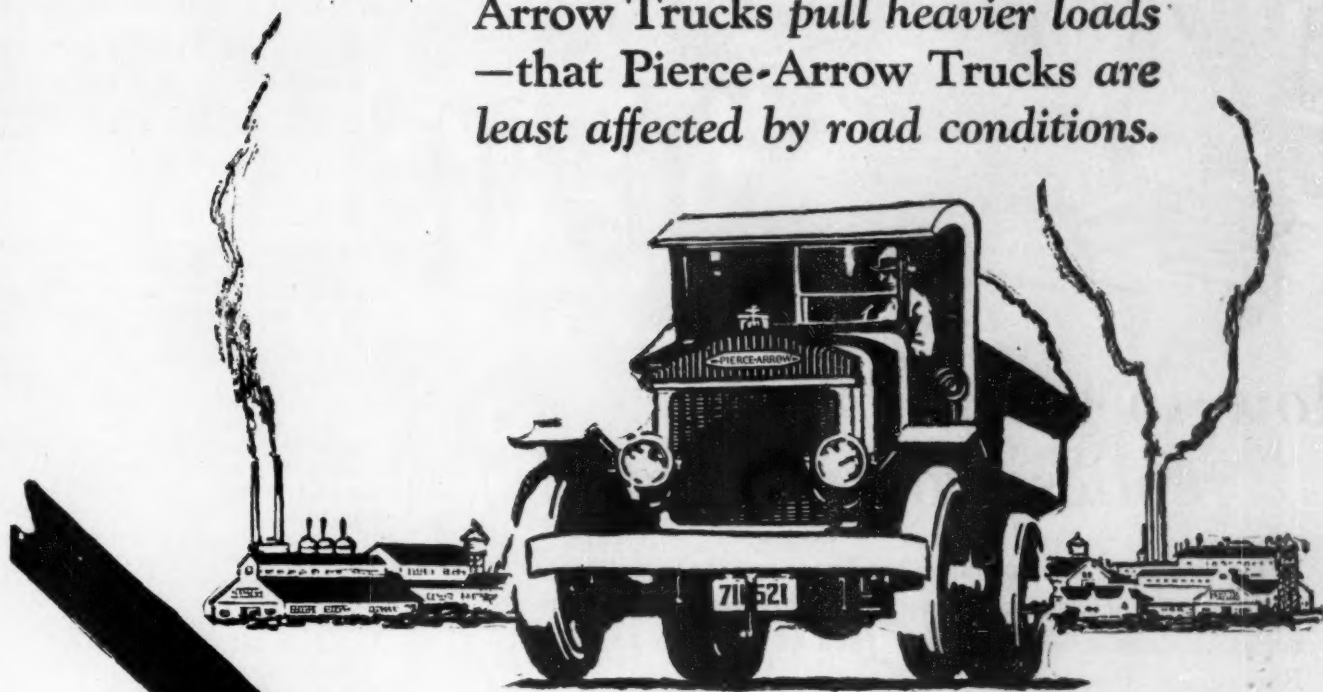
The Canadian Pacific Railway is experimenting in the use of both motor trucks and buses. E. W. Beatty, president of the road, says: "The opportunities for economical establishment of truck service in Canada are comparatively few. The problem here is one which I believe calls for continued study and observation with a view of being prepared to supplement or replace some of the existing services when favorable conditions develop."

M. M. Goodsill, general passenger agent of the Northern Pacific Railway, says: "The policy of the Northern Pacific has been to replace steam train service with gasoline-electric cars and in several of these cases where there has been a substantial loss with speed service operation, the company has been able to show small profits with the gasoline-electric cars, due largely to the difference in cost of operation taken in conjunction with other factors."

President Frederick D. Underwood of the Erie Railroad says: "Both trucks and automobiles are here to stay; not necessarily on the present basis. The harm done the railroads is exaggerated. One difficulty is that the patrons of railways who do not patronize the omnibuses insist upon the maximum train schedule. Hence, railroads are keeping a maximum train schedule for more or less skeleton patronage. This is outside the un-

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BOSTON, 109 Congress Street.....	Liberty 8864
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CHICAGO, 10 So. La Salle Street.....	Dearborn 1921
SAN FRANCISCO, 28 Geary Street.....	Garfield 4200
HONOLULU, T. H., 923 Fort Street.....	6115

fairness of taxing railways for the maintenance of highways."

And of particular interest is the statement of Britton I. Budd, president of the Chicago, North Shore and Milwaukee Railroad, who says: "The necessity of coordinating motor coach and railroad service in the interests of the public as well as the companies is daily becoming more apparent. It is the point toward which railroad companies and bus manufacturers are aiming today. After the novelty of the motor coach has worn off, the problem will resolve itself into an economic one and the motor coach with the steam and electric railroad will each be found performing the public service to which it is best fitted."

Coal Can Learn From Steel, Says Fuel Trade Spokesman

A NOVEL comparison of two industries is furnished by *The Black Diamond*. It likens the coal and steel industries, and draws a moral for the former in these words:

"By contrast and comparison the steel industry is worthy of the attention of the coal trade. Both deal in commodities that are essential to the maintenance of modern life. Both operate on nation-wide and even world-wide scale. They have grown simultaneously and along parallel lines and practically are of the same age. In a general way the human element is the same in both industries. There are other points of resemblance and even of relationship, for each has had much to do with the making of the other.

"There are, however, points of divergence that spell the difference between stability and chaos and between profit and loss. One is organized, disciplined and self-controlled. The other is disjointed, turbulent and out of hand. One performs its service with efficiency and economy to the public and with a reasonable return of profit to itself. The other is characterized by violent fluctuations in price and production and with market return that more often than not writes the ledger in red. In no particular is this contrast more sharply drawn than in the matter of production.

Production Ruled by Demand

"THE current number of *The Iron Age* published this significant statement, 'Further curtailment in steel operations has brought the industry to a level under rather than over 70 per cent of capacity. The Steel Corporation itself is close to a 73 per cent basis. Signs now are that the recession will continue into January with estimates of a 60 per cent rate before an upward turn will occur.' There is the success of the steel industry in a nutshell—curtailment of production when demand decreases. No one ever heard of carloads of steel standing around on track running up demurrage.

"No steel is shipped on open consignment. A 'no-bill' car loaded with steel billets or products would be a curiosity in any railroad yard of the country.

"By the same token, prices on steel products do not increase 100, or 200 or 300 per cent in a few days. Nor do they drop with the same precipitous rapidity. Moreover, United States Steel Common stock is selling at \$155 a share and if it moves up or down within the limitations of ordinary stock trading, it is not because there is any flaw in production or marketing methods of the company. The principle of production control as a safeguard of profitable business efficiency has been established beyond dispute.

"One thing, and one thing only, makes production control possible, and that is consolidation. When Judge Elbert H. Gary and his

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Appraising Versus Engineering

Engineering, the design, construction and operation of property, deals with physical units and mechanical forces. Appraising treats of property in relation to its utility and value. These are dissimilar activities, requiring different experience, personnel, resources and methods.

The American Appraisal Company does not design, build, manage, operate, finance, buy or sell property.

For thirty years it has specialized exclusively in studying property in relation to its utility and value. We believe that this specialization has resulted in a more perfect appraisal service than had we dissipated our energies over a wider range of endeavor.

We know that as in engineering there can be no compromise with the inexorable laws of stress and strain, in appraising there can be no compromise with the basic principles of valuation.

This singleness of purpose and focusing of energy upon the making of appraisals account, we believe, to a large extent for the recognition everywhere accorded American Appraisals.

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associates whipped the steel industry into a system of law and order by consolidation, they established a permanent basis of progress and prosperity not only for the companies that entered the mergers but for the entire industry. The madness of cut-throat competition was eliminated automatically with the creation of centers of power sufficiently strong to dominate the trade.

"The success of the steel consolidations should lend encouragement to the coal industry within which a similar movement is already well defined."

Prominent Executives Outline Industrial Relations System

WHAT are the vital elements in industrial relations that should be charted and understood by employer and workman to insure the best results in the industrial family?

This question was asked a number of executives by the Policyholders' Service Bureau of the Metropolitan Life Insurance Company and the replies of two of them are printed in the Executives' Service Bulletin.

The first outline was prepared by L. F. Loree, president of the Delaware and Hudson Company. He says:

1. A man, at time of employment, should—
 - (a) Be examined as to his fitness for the work he is to do,
 - (b) Be informed exactly as to what kind of work will be required of him,
 - (c) Be informed what the chances are for his instruction and promotion,
 - (d) Be informed as to wages to be earned.
2. An employee should be paid wages sufficient to—
 - (a) Enable him to live in comfort and conformity with others engaged in similar work in the community,
 - (b) Educate his family,
 - (c) Provide with thrift for old age or disability,
 - (d) Provide an increased earning by initiative, skill and application.
3. There should be provided a method by which an employee may protect himself against the majority of hazards of life, to wit:
 - (a) Death,
 - (b) Injury,
 - (c) Old age,
 - (d) Illness,
 - (e) Loss of work,
 - (f) Disability,
 - (g) Total incapacity.
4. There should be management which will assure—
 - (a) Continuity of employment,
 - (b) Prompt hearing of complaints,
 - (c) Unbiased decisions,
 - (d) Explanations of action or decision in cases of discipline,
 - (e) Opportunities for training and promotion,
 - (f) Exclusion of favoritism.

5. Provision should be made for education and recreational occupation during free time.

6. There should be proper quarters and furnishings for—

- (a) Work,
- (b) Meals,
- (c) Recreation,
- (d) Bathing, changing clothes, etc.

Henry S. Dennison, president of the Dennison Manufacturing Company, prepared a list, thus:

(1) Lighting, sanitation, and safety equipment as good as shown by experiment to yield the greatest efficiency over a long period; in any case, no lower than any legal requirements.

(2) Such measures to insure the placing of workers in work physically appropriate to

them as are proved by experiment to be worth while. These involve some degree of job analysis and some physical examination, as well as some study of special fatigues.

(3) Such clinical arrangements as may be practicable, either by the concern itself or in cooperation with the community or other concerns.

(4) Such lunch-room facilities as the local situation calls for.

(5) Appropriate measures for training, worked out to suit the needs, not merely allowed to grow.

(6) Sufficiently full information to each new employe concerning the company, its work, its rules, and the like.

(7) Mental contact with the company's affairs through bulletin boards, a small plant paper, or any other means of internal publicity.

(8) All reasonable facilities for employe self-education, in cooperation with local libraries or schools.

(9) A decent place to receive applicants for a job.

(10) Courteous treatment to applicants at all stages of the business cycle.

(11) When hired and properly placed, a proper introduction to the job, the foreman, and fellow-workers.

(12) A starting wage appropriate to the local situation, and a prompt follow-up after starting to make suitable wage adjustment or transfer to more suitable work.

(13) Supervision of discharge so that the grounds of discharge may be consistent throughout the plant and shall be reasonable.

(14) Appropriate measures for appeal, so that the individual workers shall not be without recourse in case of unfairness or supposed unfairness.

(15) The avoidance of all such negative influences as: public call down, bullying, and the use of spies.

(16) Assistance in the establishment of such aids as: sickness insurance, life insurance, unemployment insurance, savings funds, the credit union, housing funds, pensions, accident compensation.

(17) Raises and promotions established on merit and given when deserved.

(18) Thoroughgoing training of foremen into the right methods of handling men.

(19) The establishment of a tradition of regard for courtesy, mutual respect.

(20) Establishment of a proper suggestion system.

(21) The utmost regularization of employment, and the establishment of funds for unemployment relief.

(22) Constantly improving ability in technical management, since no man can be thoroughly self-respecting who has to work under a boss who does not know his job.

World's Costliest Labor War Ends as British Mines Reopen

"WITH the conclusion of the British coal dispute, the most costly strike in the industrial history of the world comes to an end."

Thus does the *Index*, organ of the New York Trust Company, sum up the effects of the strike:

"It is hardly likely that any more graphic illustration will ever be afforded of the enormous wastefulness of the strike as an instrument in the adjustment of industry. In the past decade both the United States and Great Britain have suffered severely from this cause. It is a burden that has ultimately been borne, not by the employer or the employe, but by the people.

"Fortunately in this country the number and extent of strikes has shown an almost

Know Where Your Tools Are



Using the McCaskey System, one man in a fraction of his time, handles 1800 tool items for the Steel Heddle Mfg. Co., Philadelphia

How sure are you that the *right* tools are coming back to your tool cribs? How can you answer this question correctly unless you have an individual check on each tool in your plant—

Know who has it—what other tools the same worker has out—when they were taken—and credit him only with the actual tools returned.

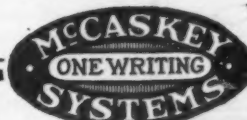
You can have this control on your tools with a McCaskey System of tool Control. Whether you know that tools are being "lost" in your plant now or not, you can make their loss impossible without detection with a McCaskey System. You can also reduce your tool investment to the minimum needed through systematic checking of actual tools used.

J. J. Kaufman, President, Steel Heddle Mfg. Company, says:

"Previously a man could get any tool he wanted from three tool lockers, and as we had no record of it, it could be returned broken or damaged or even lost. Now each workman is held accountable for all tools issued to him and if he leaves our employ he must account for all tools checked against him. The reduction in loss and breakage has repaid the cost of the McCaskey System several times. The McCaskey System also permits an easy check on the number of each tool so we do not run short or overstock on any item."

Would you like to have similar results in your plant? Full information will be gladly sent upon request.

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The story of these two men and how they made their plans is told in "A Properly Anticipated Event," a booklet which your local John Hancock office will be glad to send you, or it can be obtained by writing to Inquiry Bureau,

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197 Clarendon St., Boston, Mass.
NB

steady decline. The workers and the management have recognized a mutual interest: prosperity depends upon good labor as well as upon good management, and each must be fairly paid. Labor organizations here have in word and action decreased their emphasis on strikes and have concentrated upon the goal of greater production achieved through co-operation.

"Discontent in industry was stimulated by the war. From the heterogeneous contacts of those four years, the workers of the world returned, filled with a profound impatience with the old industrial order. The promised improvements in working conditions were not made. The result was a marked increase in drastic industrial disputes in every large commercial nation.

"In 1913, strikes and lockouts were responsible for a loss of 11,491,000 working days in Great Britain. During the war, a consciousness of national danger reduced these disputes to a minimum. In 1919 when the disillusioned workers returned again to their jobs, 34,483,000 working days were lost through strikes and lockouts. There was a slight reduction in 1920 with 27,011,000 days lost. From 1921 to 1926 the number has averaged about 41,000,000 a year.

"Then came the strike in the British coal mines. In the 15-year period, 1910-1925, a total of 291,836,000 working days were lost from stoppage of work in all lines of industry. In the 29 weeks of the coal strike, involving 1,100,000 laborers, about 140,000,000 days, or nearly half of the entire total for 15 years, were wasted in idleness.

"The loss of wages in this coal dispute alone amounted to about \$275,000,000. That was the direct cost to the miners. The loss in production was about \$1,500,000,000. That was the direct cost to the owners.

"There is no accurate measure of the indirect cost. Whether calculated in dollars or in discontent, the drain on the entire industrial life of Great Britain has been severe."

The *Index* concludes:

"The strike is usually the result of abnormal conditions. At best it is now considered no better than a very bad last resort. Its necessity has grown less and less as industry has achieved a spirit of cooperation far more profitable than anything to be won by such a wasteful economic weapon. This year's Watson-Parker Bill for settling railroad disputes represented the high point of American achievement in voluntary arbitration. American industry is creating a new tradition of good-will to replace the old tradition of hostility."

Power Loss by Federal Board Causes Glee in Grain Circles

REJOICING over the "clipping of the wings" of the Federal Trade Commission, by the Supreme Court, the Grain Dealers National Association sees the days of the Commission's power growing fewer.

Who Is Who in the Grain Trade recounts the progress of the Association's opposition to the Commission. It reprints a former resolution:

"We reassert our belief that the Federal Trade Commission, in departing from the purposes for which it was established, in abuse of its recognized authority, and in its arbitrary assumption of authority, which it never possessed, to such an extent as to make appeals to the courts necessary to protect the rights of our people, has lost the respect of all classes of citizens, has failed to be a constructive force in American business life, has become a worse-than-useless arm of our Federal Government and should promptly be abolished."

"The above resolution was passed at the Buffalo convention. This is the second time that the Grain Dealers National Association has gone on record as favoring the abolition of the Federal Trade Commission. In 1920, at the Minneapolis convention, the Association passed this resolution:

"Whereas, The Federal Trade Commission was created because, as stated by President Wilson, 'the business men of the country desire something more than that the menace of legal process be made explicit and intelligible. They desire the advice, the definite guidance and information that can be supplied by an administration body, and interstate trade commission'; and

"Whereas, After the bill creating the Federal Trade Commission had been passed President Wilson stated 'A Federal Trade Commission has been created with powers of guidance and accommodation which have relieved business men of unfounded fears and set them upon the road of hopeful and confident enterprises'; and

"Whereas, Business men had, therefore, the right to expect friendly cooperation, assistance and guidance from the Federal Trade Commission; and

"Whereas, Widespread dissatisfaction now exists concerning the attitude of the Federal Trade Commission toward business, and grave doubts are entertained by a large proportion of business men concerning the usefulness of the Federal Trade Commission; therefore, be it

"Resolved, That the Grain Dealers National Association petition the Congress of the United States to repeal the law creating the Federal Trade Commission."

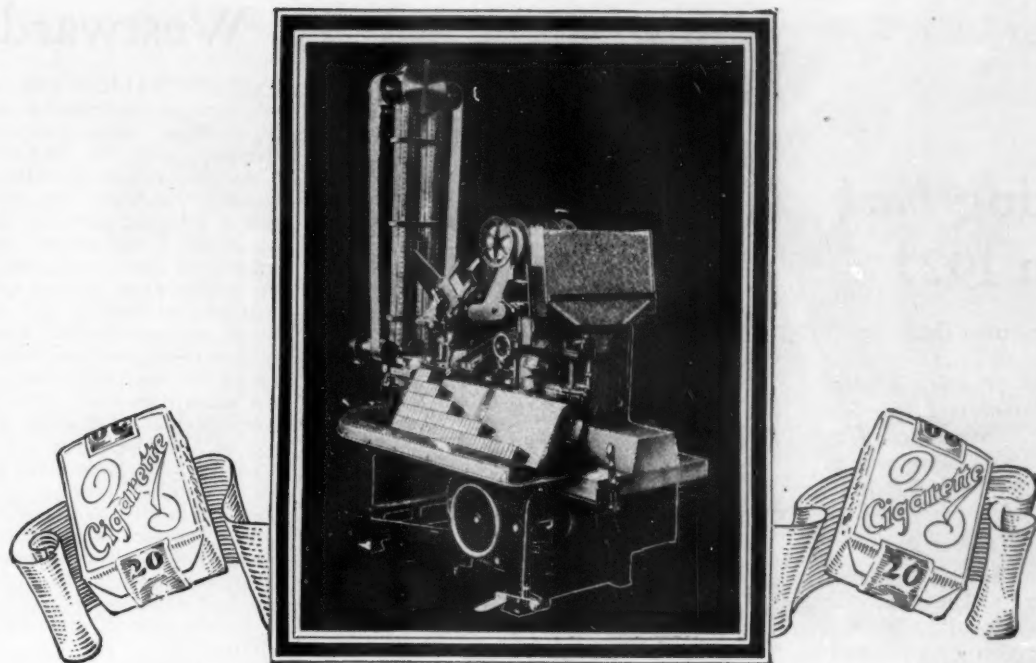
"When the Minneapolis resolution was passed in 1920 there was some criticism from certain business men as to the wisdom of taking such a position. It was felt that the resolution was too drastic and was opposed 'to the spirit of the times' which seemed to require that the American people should follow the example of Europe and burden themselves with federal bureaucrats. It was right after the war when the philosophy of bureaucracy was in the ascendancy.

"What a difference in 1926! There will be no criticism of the Buffalo resolution from any quarter because the Federal Trade Commission has no friends in the business world.

"The supreme court has clipped its wings for good, the last clipping being at the instance of the Millers National Federation. The Commission has ceased to be a public nuisance, hence it might just as well be abolished because a federal bureau that isn't a nuisance is of no interest to the politicians. Of what benefit to the office-seeker would be a Federal Trade Commission that did not supply a first-page story every few days? Can any one imagine a politician waxing enthusiastic over a Commission that was of real benefit to business? Now that the politicians have lost interest there will be no great amount of opposition to the abolition of a Commission that cannot be used for political purposes. The trouble with the Minneapolis resolution was that it came about four years ahead of time."

As Delicate as a Brick

ARTIFICIAL fog, invented for war purposes, is finding peaceful uses. The moving picture industry frequently employs it for spectacular effects. It is hoped that farmers can fight frost with it. But the oddest job for the stuff is reported from Sweden, where brick manufacturers have long used peat smoke to protect drying bricks, which are easily damaged by frost.



Your producing partner—machinery

Is it efficient ?

The same qualifications by which a business associate is judged should determine the selection of your producing partner. Not only must it be dependable, but

Point No. 2: Is it efficient?

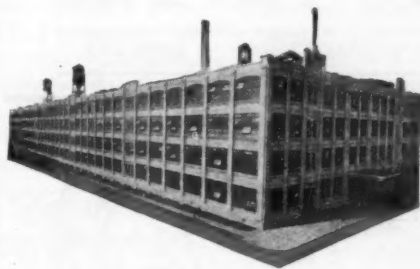
Of the seventy-five billion and more cigarettes made each year in the United States, the bulk is packaged in the popular foil-and-paper pouch of twenty each. Roughly, some two hundred million cigarettes are so packaged every day.

Without a real producing partner—automatic machinery—this tremendous production problem could not be handled economically.

To meet this condition, AMF engineers developed The Standard Cigarette Packer. Its effi-

ciency may be gauged by the fact that a prominent manufacturer recently advertised the statement that one of these machines packaged *one million* of his leading brand in one working day.

The efficiency which characterizes this machine is a fundamental function of all the automatic machinery developed by AMF for many varied industries. It is an efficiency which increases the dollars and cents of profit by decreasing the manual labor of production.



Automatic Machinery for Feeding, Filling, Weighing, Packaging, Wrapping, Sealing, Pumping, Photo-Composing, and for all branches of Tobacco manufacture. Also India, the Perfected Casein Solid

Do you need such a producing partner in your business? If you do, you will undoubtedly be interested in addressing the American Machine & Foundry Company, at Brooklyn, N. Y., London, England, Alexandria, Egypt, or Shanghai, China.

Automatic Machinery

When writing to AMERICAN MACHINE & FOUNDRY COMPANY please mention Nation's Business

Looking back on 1927

(twelve months from now)

Fine...some progress...cleaned up...tough sledding...our best year...poor...charge it off to experience...paid eleven cents on the dollar...if we had it to do over...just held our own...

As sure as the sun's rising itself, certain sales and advertising programs are going to succeed in 1927. And, just as surely, certain others are going to fail entirely or fall short of their full possibilities.

Intensive selling to the consumer as well as to the trade will call for more and better sales literature, brochures, catalogs, leaflets and broadsides.

No job of printing you have done is too small, or too large, to deserve the splendid, impressive foundation a Cantine coated paper can give it.

Specialization since 1888 in the one art of paper coating has made possible the remarkable uniformity of Cantine printing surfaces. If your next piece of sales matter



contains sharply detailed half-tone work, specify Ashokan for it. If the richness of soft-focus reproduction is desired, use Velvetone. For the most difficult of printing and folding jobs, Canfold will prove its merit—eloquently!

More impressive papers for more impressive printing...you'll need it *this* year...Cantine's coated papers.

A handsome steel-engraved certificate is awarded each quarter to the producers of the most meritorious job of printing on any Cantine paper. Write for details, book of sample Cantine papers and name of nearest distributor. The Martin Cantine Company, Dept. 453, Saugerties, N. Y.

Cantine's COATED PAPERS

CANFOLD

ASHOKAN

ESOPUS

VELVETONE

LITHO C.I.S

IF you are not already a NATION'S BUSINESS subscriber send in this handy coupon.

To the U. S. Chamber of Commerce
Washington, D. C.

Send me NATION'S BUSINESS, your official monthly publication, beginning with the March number. Bill me later for \$7.50 for the three year term-subscription (OR: I enclose remittance with this coupon).

NAME.....

ADDRESS.....

CITY AND STATE.....



When writing to THE MARTIN CANTINE COMPANY please mention Nation's Business

Westward Ho!

DECENTRALIZATION and the movement of factories to meet markets are the dominant trends noticeable in the west according to E. W. McCullough, Manager of the Department of Manufacture of the National Chamber, who recently returned from a trip through the Rocky Mountain and Pacific Coast states. Stressing the importance of these tendencies, he said, "these two forces when carried out will give to these sections stability and make them more able to meet eastern competition."

"Lack of capital," he went on to say, "is one of the handicaps that western business men must overcome. Not that there isn't plenty of money floating around, but it is hard to bring borrower and lender together. I found in the large coast cities that there was much money being put into well-seasoned or listed eastern securities. What is needed, for the more rapid development of the country, is some means for evaluating and stabilizing securities which local industries may find necessary to issue in the course of proper growth and expansion of their facilities.

"The needs of these business men are often greater than the local banker can meet but are as legitimate as the requirements of concerns located where means have been provided for listing on a local or great trade center exchange. Confidence must be built up. The small local investor must have a liquid investment.

Western Industry Sound

WESTERN markets are already consuming vast amounts of the modern luxuries of life as well as the necessities. The local fabrication of the abundant natural resources—lumber, fish, clays, minerals, water power, and agricultural products—is putting industry on a sound basis. It is no longer true that the large proportion of the raw materials are being shipped east to be finished into consumption goods.

"In the course of my trip, I found some rather unique situations. Success under the circumstances violates all the accepted rules for locating industries. In a Rocky Mountain city there is a good sized modern factory producing trunks and hand baggage of medium grade. The products are shipped and sold all over the country, some of them even being sold in New York and other eastern city department stores.

"The plant has been growing and prospering for ten years, yet none of the nearby country produces any of its materials nor does it depend on the local market. The success of the business is due solely to the brains and initiative of the family which owns and manages the plant.

"In locating industries it must be realized that the western country has now the same quality of consumptive demands that the east has. It is no longer a sparsely settled country whose chief occupation is furnishing the east with raw materials. Industries can be built to supply local demand, which means that there is a large list of commodities for which production facilities should be developed.

"Among the chances that are not being overlooked is that of raw silk which passes through Pacific ports on its way east. Wool, scrap iron, steel, clays, minerals, etc., are also being exploited.

"There is no industrial boom in the west; it is merely the normal healthy growth commensurate with the enlarging needs of its population as well as providing for consumption in Latin America and the Orient, its foreign trade area."



The Billionarea

The Greater St. Louis Market

This is an actual market, not a mythical or imaginary zone. A million people live within its boundaries. They have an annual purchasing power of more than a billion dollars. Within The Billionarea, population, purchasing power and newspaper coverage are so concentrated that volume-selling is possible at less cost than in practically any other metropolitan market.

A Billion Dollar Market concentrated in 16x21 Miles

Sales Managers face the necessity not only of selling the volume which the profitable factory must have—but also of securing that volume at the lowest possible selling cost.

The phrase, "the billion dollar market" gives the Sales Manager a picture of sufficient volume to absorb a large portion of his factory's production. It also gives a contrasting picture! In his mind he compares it with another area the size, say, of an entire state—with scores of salesmen to cover it—sleeper fares; hotel expenses; many jumps; more traveling time than selling time; and many weeks to cover the territory even once.

The Billionarea is Quickly Covered, Economically Sold

Any Sales Manager knows that the measure of a real market opportunity is not population size alone, but population size concentrated for economical selling.

Although the million people in The Billionarea earn and spend more than a billion dollars an-

nually, the entire market can be traversed by automobile in 30 minutes in one direction, 45 in the other.

Though The Billionarea consumes products of all kinds on an enormous scale, it is compact enough to be covered thoroughly and often by salesmen at a truly economical cost.

Effective Newspaper Coverage to produce volume sales

To the advertiser, the compactness of The Billionarea offers still another advantage. The entire market is covered by one newspaper so completely that merchandise can be moved in volume without duplication of advertising cost.

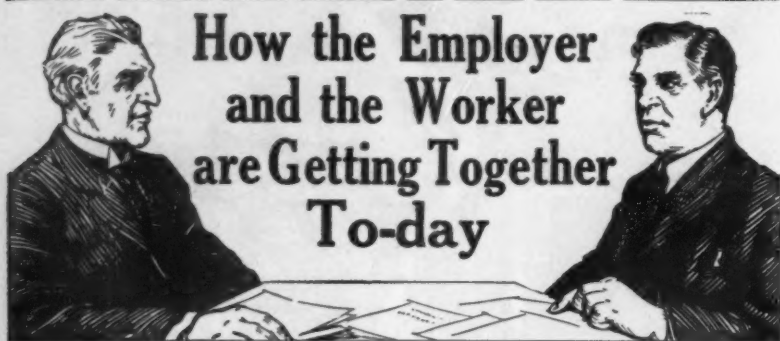
The St. Louis Post-Dispatch reaches practically every family of buying consequence in the entire area. This complete circulation coverage—far in excess of that of any other St. Louis newspaper—brings to the Post-Dispatch far more national, local and classified advertising than is carried by any other St. Louis newspaper.

ST. LOUIS POST-DISPATCH

The highest ranking P+D+C newspaper of The BILLIONAREA—the Greater St. Louis Market

NEW YORK 285 Madison Ave.	CHICAGO Tribune Tower	DETROIT General Motors Bldg.	KANSAS CITY Coca Cola Bldg.	SAN FRANCISCO 504 Market St.	LOS ANGELES Title Insurance Bldg.	SEATTLE 212 Madison St.
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23,000 Copies Sold Within 30 Days After Publication



How the Employer and the Worker are Getting Together To-day

Solving America's Greatest Business Problem

By the New Plan Explained in W. JETT LAUCK'S Book

POLITICAL and INDUSTRIAL DEMOCRACY

"A book that was much needed. I shall commend it to my classes."—FRANKLIN H. GIDDINGS.

Professor Lauck tells the story of certain big concerns that have found a way to end strikes, and to get every employee to do his best,—by applying the principles of democracy to business, through cooperation.

FOR THE INDUSTRIAL LEADERS

This book analyzes more than twenty successful concerns that have adopted some form of employee representation—of active cooperation between employer and employee in running the firm's affairs. In every case the new plan has banished strikes and caused the workers to increase their efficiency. The details of the different methods are given, so that other employers can compare and judge them, choosing such features as can be applied to their own companies with profit.

FOR THE ORGANIZED WORKERS

This book urges the unionizing of all labor, not to fight capital, but to work in partnership with it. It tells of thousands of working-men who have willingly increased the quality and quantity of their product, because by so doing they knew they could raise their own wages. They have a share in the control of the business through their representatives. A book that opens a vast new field and an era of greater usefulness for the labor union. Every labor leader will find it useful.

384 pages. \$2.00, net; by mail, \$2.14, post-paid.

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Make Your Business Earn Its Maximum Profit

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OF CONTROL OVER ALL YOUR INITIAL BUSINESS TRANSACTIONS



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and places you as owner or executive in absolute control over the operation of all departments of your business.

EGRY COM-PAK RECORDS are simple and easy to make, fully informative and subject to check and audit. Every line and department of business can use them to the advantage of profit protection, economy and convenience.

Retailers, wholesalers, and manufacturers find the EGRY COM-PAK efficient and practical for correct record making.

Your business, be it large or small or of just average size, requires records of control.

To record Cash or Charge sales, Received on Account, or Paid Out transactions on the COM-PAK is to deal strictly with facts about every transaction.

To use the COM-PAK for making Invoices, Delivery Bills, Production Orders, Bills of Lading, Express Receipts, Parcel Post Labels, Shipping Orders, Back Orders—in fact, records of every conceivable kind of business transaction in from two to six copies at one writing, is to fortify your business against unseen losses, save time and labor, and strengthen the morale of your organization while protecting your profits.

Better records are more quickly and accurately made on the COM-PAK which is uniformly adapted to a long life of most exacting service.

Write for further information about the application of the COM-PAK to your own business. It's a most interesting story to every progressive business man.

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EGRY REGISTER COMPANY
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Builders of Register Systems
for all lines and departments of Business

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Aldwych, London, W.C-2, England

How about Widows and Orphans?

By W. W. Symington

Vice-President and Secretary, United States
Fidelity and Guaranty Company, Baltimore

THERE are about two thousand widows and orphans on the weekly payroll of the United States Fidelity and Guaranty Company, of Baltimore, victims of the toll that industry takes of its workers.

They are not employees, nor are they on the payroll in the true sense of the word, for few, if any, of them were ever in Baltimore. These widows and orphans are the dependents of men who lost their lives in employment. Their income is payable under the provisions of workmen's compensation laws. Thus society to some extent endeavors to atone for depriving them of a breadwinner.

Every casualty company has its quota of these widows and children. The payments made to them represent a very small part of the total disbursements under workmen's compensation, for this company, alone, in the course of the year handles over one hundred thousand compensation claims. Multiply this by a hundred-odd companies, smaller and larger, and you get some idea of the tremendous number of accidents that yearly call for compensation payments in some form or other.

Small Size of Families

MANY have been led to conclude that most laboring men have big families. Practically all of the six hundred files of fatal accident in the records of the United States Fidelity and Guaranty Company are tragedies of the laboring class. Almost every state of the Union is represented. And yet from the following figures it is surprising to note that a very small part left five children or more, and, moreover, the number of cases decreases proportionately as the number of children increases. Here are the figures:

No children.....	184 cases
One child.....	120 cases
Two children.....	106 cases
Three children.....	74 cases
Four children.....	33 cases
Five children.....	22 cases
Six children.....	12 cases
Seven children.....	6 cases
Eight children.....	1 case
Nine children.....	2 cases
Ten children.....	1 case

With the total number of children about 1,250, the average per family is slightly over two.

The injuries sustained by workmen are of many forms. Some are fatal; many more are not fatal; some are of minor importance; and, again, others are protracted and permanent. We have made no attempt to discuss any but a very small group—those of workmen survived by wives and children.

When we made this analysis there were five hundred and sixty-three widows and their children, receiving every week or month workmen's compensation payments by virtue of the fact that their husband and father was killed at his employment. Then there were thirty-odd groups of motherless children, who were left orphans

by their father's death. Many workmen leave behind dependent fathers and mothers, but such cases were not taken into consideration. Even this one phase of the scheme of compensation insurance proves beyond doubt that compensation laws have done much toward healing economic and social ills.

In one instance the widow was the provider, her husband and three children being dependent on her earnings. She was a charwoman in an office building in New York and was killed in an elevator accident. The husband receives payments for life, or until he remarries, and the children, for a given period of time. In another case the widow, who is now receiving compensation payments, was the fourth wife of the employee killed.

Out of these five hundred and sixty-three widows living in every corner of America, forty-one have remarried—somewhat more than 7 per cent. That strikes us as a fairly high percentage, although we find no definite tables on the American experience. These widows remarried after periods of time ranging from eight months to five years, and in one instance the widow brought along with her nine children. A heroic bridegroom! No doubt many widows wait until their compensation payments cease before remarrying, and the percentage probably would be higher if the figures after payments ceased were available or if payments continued after remarriage.

Payments to Dependents

TO THESE six hundred families drafts and checks go out each week aggregating about \$5,800. This amount, of course, varies from week to week, for cases are closed daily and new ones begun. The individual payments range from \$3 to \$25.

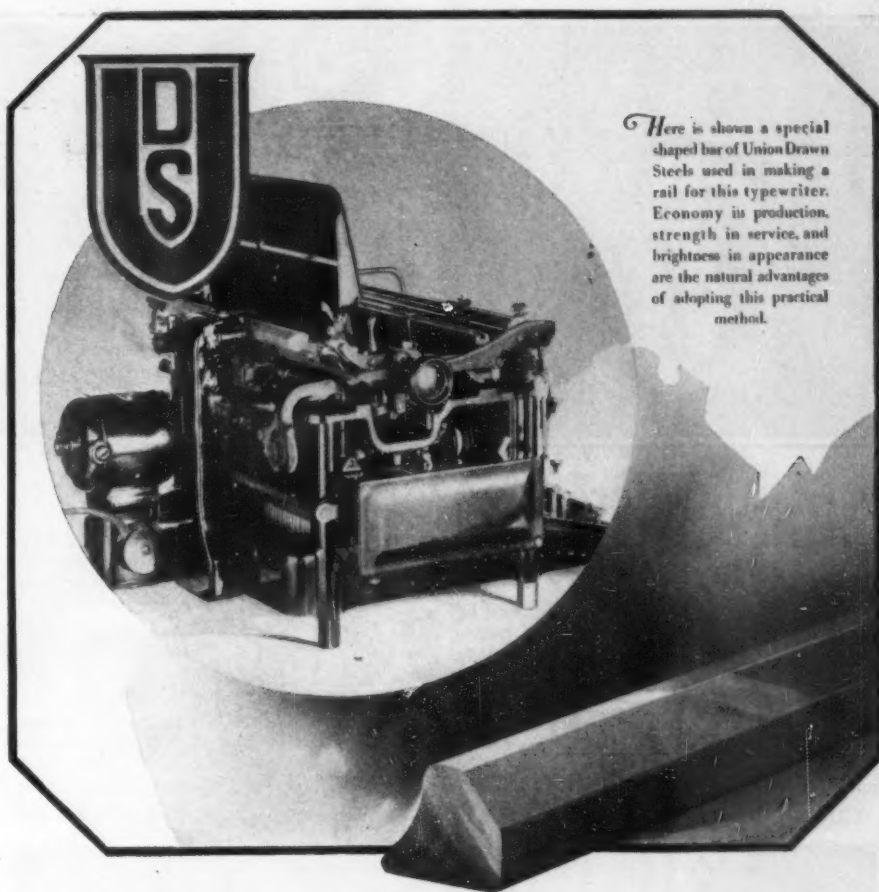
To date, the total amount of money paid to this group of widows and orphans approximates \$1,372,000. The reserves set aside by the company to take care of future payments amount to \$1,495,000. The size of a payment is based on the findings of the local accident board and depends on a number of factors, principally the average wages of the employee and the number of his dependents.

The largest number of these fatal cases comes from the State of New York, with Texas second, Illinois third, and Pennsylvania fourth.

There are thousands of compensation claims handled in the course of a year by casualty companies. Claims handled by the United States Fidelity and Guaranty Company alone, in 1923, were 91,042, with a total of 97,250 in 1924, and 102,650 in 1925. Many of these were trivial; many, serious and protracted; and some, fatal. A memorandum of each claim is made by all companies and submitted to the bureaus formed for the purpose of making rates.

It is to provide for the dependents of those unfortunate enough to be victims of industry that compensation laws were first enacted, and they have done much in relieving society of a burden which in the past was thought properly to belong to it.

There are now only six states which do not have a compensation act. In general, these acts provide that an employee who is hurt and disabled in some duty arising out



The world's oldest and largest producers of cold finished steel bars ~ ~ ~ ~

UNION DRAWN STEEL CO. *Beaver Falls, Pa.*

UNION DRAWN STEELS



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Wherever Money Passes

Wherever money passes, or business is conducted, there is usually a need for a bank screen and counter arrangement.

Public Service Companies, Banks, Bond and Investment Houses, Newspaper Offices, Stores, Jobbing Houses and many other types of firms have found this type of arrangement both practical and desirable.

Such an arrangement can be worked out to the best advantage using Circle A Partitions, with bank screen and counter sections. They can be furnished quickly, and installed easily at reason-

able cost. Building Managers find that their ability to offer prospective tenants such a layout is frequently an attractive and deciding factor in renting of space.

Like Circle A Partitions these Special Sections also permit of complete and rapid subdivision into any desired arrangement, and can be altered to meet the changing needs of tenants.

Our new Catalog, in addition to describing Circle A Partitions, may give you some valuable hints on subdividing space. We will gladly send it free to anyone interested.

CIRCLE A PRODUCTS CORPORATION • 658 South 25th Street, Newcastle, Indiana



Associated Gas and Electric System

Founded in 1852

\$1 Revenue from \$5 Capital

The electric light and power industry requires large amounts of capital for the gross revenue produced. In 1925 the industry produced \$1 gross revenue per \$5.10 invested capital.

The unusual amount of capital annually required is due chiefly to two factors: (1) A large investment in relatively permanent equipment is necessary to produce and distribute electricity economically. (2) The industry is one of the most rapidly growing ones in America. The electric output has doubled practically every five years during the past quarter of a century.

The public desires good service and is willing to pay for it. Fortunately it recognizes that the community may best be served by permitting the investment to earn a fair return.

The electrical output of the Associated System increased approximately 20% in 1925 over 1924. During that year over \$17,000,000 was put into new construction and equipment to take care of the normal increase. This steady growth provides continued opportunity for sound, substantial investments.



Associated Gas and Electric Company

Incorporated in 1905

Write for our "Illustrated Year Book"

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61 Broadway

New York

of his regular occupation is entitled to indemnities provided by the compensation law. For the protection of the employee, most compensation laws provide for the appointment of an industrial accident commission to decide the proper award in case of a disputed claim. Under the old employers' liability law benefits were arbitrary.

In case of accident to an employee there was always available to the employer three defenses—contributory negligence, negligence of fellow-workmen, and the assumption of risk—and it very often depended on the outcome of a suit and on the ability of the trial lawyer whether or not the employee would be awarded any judgment against his employer. Today this is changed, and in so-called compensation states the employer is denied these three defenses, the injured employee being compensated for the loss of time due to an accidental injury.

There are many variations in the laws. In some states flat amounts a week are awarded; in others, the payments are based on a percentage of average earnings. In several states, like Minnesota, Pennsylvania, Washington, and New York, the widow is given a lump sum of money if she remarries, and her interest ceases and passes to the other dependents. The length of the payments ranges from three hundred weeks to life, or remarriage of the widow, and until the children reach the age of sixteen to eighteen years.

Betting on Law of Averages

IN EACH instance, the company, which in insurance parlance is called the carrier, sets up a reserve when notified of an accident. This reserve decreases in proportion as payments increase. It is interesting to note how some of these reserves are figured. For instance, how are we to predict just what number of years a widow will survive her husband? Will she remarry? Will she decide to remain in single blessedness? As a solution of these perplexing questions, we have plenty of experience to which we can refer in guessing at the future.

Little, if any, underwriting profit has been shown by casualty companies from the writing of compensation insurance over the period of years in which compensation acts have been written into the statutes. The rates are low, with a tendency to go lower, and the experience built up by the rate-making bureau has been a difficult gauge to go by because of the variety of multiplicity of injuries. It is interesting to note that the commissions allowed to agents on this line are the smallest of any class or forms of insurance.

In 1925 the paid losses of the companies writing compensation insurance amounted to \$118,183,279, the underwriting loss of the combined companies being \$11,490,357. Certainly not a very profitable line. Most of the companies, by organizing highly efficient inspection and medical departments, by insisting on immediate medical or surgical attention even in trivial cases—for trivial cases oftentimes develop seriously if not taken in time—and by insisting upon employers installing modern safety devices, are endeavoring to keep the business at a point where they can break even on losses.

"One of the Most Significant Economic Movements..."

Discussed by **ANDREW W. MELLON**

"The Significance Of 'The New American Prosperity' To Manufacturers Of Staple and Moderately Priced Luxury Goods" is the subject of an important symposium of opinions published in a new book for business men.

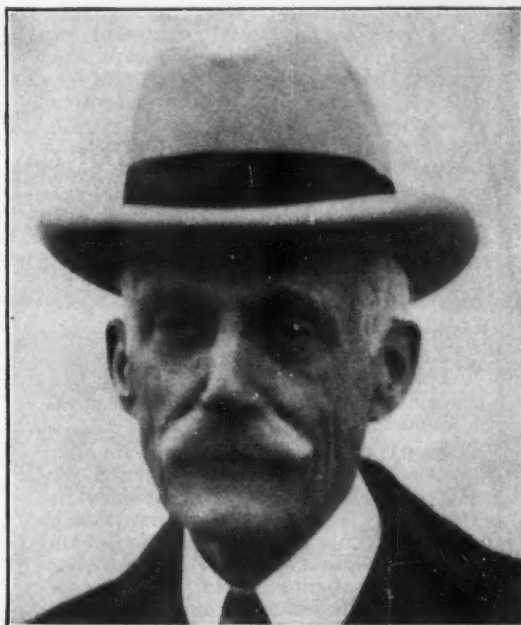
This excerpt, the opinion of Mr. Mellon, was delivered in his speech to the last annual convention of the National Electric Light Association.

THOSE of us who have lived through the economic adjustments which America has made during the last forty years, know that our present prosperity is merely the outward and visible sign of one of the most significant economic movements taking place in the world today," states Mr. Mellon. He describes the situation:

"Our wealth has come from two sources. It is due, in part, to our great natural resources, and in larger measure to the efficiency of our industrial organization. That organization, by utilizing labor-saving devices and other inventions and discoveries, has succeeded in keeping wages and profits at a high level and diffusing prosperity among a larger number of people than have ever known it before. . . .

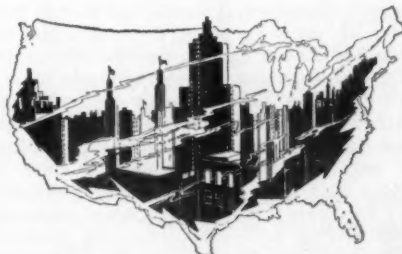
"Today we have a domestic market of more than 110,000,000 people of great consumption capacity. . . .

"Those of us who have lived through the economic adjustments which America has made during the last forty years know that our present prosperity is merely the outward and visible sign of one of the most significant economic movements taking place in the world today. It means that America has adjusted herself to the economic laws of the new industrial era, and that she has evolved an industrial organization which can maintain itself not only because it is efficient, but because it is bringing



Hon. Andrew W. Mellon
SECRETARY of the TREASURY

86% of AMERICA



Isolate, for a moment, the wage earning masses as marketing possibilities. These families will be found to comprise 86% of America! With bricklayers making \$14 a day, and other trades in proportion, it is easy to understand why their wives can afford to spend 41 billions of dollars a year for foodstuffs, nearly 6 billions of dollars a year for housefurnishings, and proportionate amounts for other staples and moderately priced luxuries. It is but natural that more people now pay more money for True Story at the newsstands than for any other magazine in the world. . . . True Story's democracy of editorial appeal has made it the only great national magazine embraced by "86% of America." Magazine advertisers MUST use True Story to sell this new market!

True Story
the NEW market

Largest Newsstand Sale in The World

about a greater diffusion of prosperity among all classes."

Many Business Men Sense Situation.

Many manufacturers of staple and moderately priced luxury goods, such as the Pepsodent Company, Lever Bros. Company, Lambert Pharmacal Company, Fleischman Company, and the B. F. Goodrich Company already realize that their market horizon has enlarged to include all classes of our population.

They are but a few of the hundreds of merchandisers who know that today, for the first time in history, trade-marked goods can be sold not only to the community's classes, 14% of the population—but to the community's masses, 86% of America.

Semi-annual reports of their increasing sales indicate that the vastness of this new market makes it not merely desirable, but absolutely essential to manufacturers of competitive merchandise.

By advertising regularly in True Story they are placing their messages in the ONLY ONE of the great national magazines written for and read by "86% of America."

Because its readers are not interested in magazines of more aristocratic appeal, True Story is giving advertisers the only reading group not reachable by any other great magazine; the only reading group they have never reached before; 2,000,000 HOUSEWIVES who are reading the pages of a national magazine and spending the amount of a national debt for the first time in their lives!

Will you investigate this new market for yourself?

Write to True Story, 1922 B'way, New York, for "86% of America" for the new book by 35 of the Nation's leading thinkers, published as an important symposium of opinions on the wage earning masses. No obligation.





Tell all who ought to know—

What the product is
(tell it with a tag)

What to do with the product
(tell it with a tag)

What the product costs
(tell it with a tag)

What other information
is necessary to speed the
product into ultimate
use (tell it with a tag)

Get in Touch with Denney

The world's largest maker of tags is able to give you not only low prices on quality tags, but new ideas in tag design and how to use them most effectively for production, transportation and sales.

The coupon below, together with the tags you now use, will bring complete information.

DENNEY TAGS
WEST CHESTER, PA.

DENNEY TAG COMPANY
24 W. Barnard St., West Chester, Pa.

☐ Kindly quote on enclosed tags.
☐ Send free booklet, "How to Buy Tags Right!"

Name _____ Street _____ City _____ State _____

On the Business Bookshelf

Foreign Trade and World Politics, by Herbert F. Fraser. Alfred A. Knopf, New York, 1926. \$3.

Mr. Fraser's book gives a very understandable explanation of the intricacies of international trade. Trade balances in particular are explained, and the various "invisible" elements that affect the trade balances, such as tourist expenditures and immigrant remittances, are explained simply.

Mr. Fraser treats the subject of world trade as it is affected by political motives, especially tariff. The reason Mr. Fraser gives for treating international trade and international politics as one subject is that "economic questions are directly connected with great political problems. . . . We have about given up the use of the older and truer term 'political economy,' and have substituted 'economics.' But is it not a wholly inadequate treatment to deal with such subjects as the production and distribution of wealth and leave out of consideration the state which defines, upholds, regulates, and taxes property? The plain truth is that economics and politics cannot be torn apart and treated as separate sciences."

Profit Sharing and Stock Ownership for Employees, by Gorton James, Henry S. Dennison, Edwin F. Gay, Henry P. Kendall, and Arthur W. Burritt. Harper and Brothers, New York, 1926.

"There is no inherent right to a share in the profits of an enterprise by the person who has accepted employment in that enterprise except in so far as it can be shown that he comes closer to a personal realization of current social ideals because of such participation." Profit sharing should "prove the desirability of its influence on the employees through increasing production, decreasing costs, strengthening the organization, or enhancing 'good-will' as part of good management, thus indirectly benefiting society as a whole."

As to employ stock ownership, the authors think that it will tend to diminish rancorous dickering between the heretofore sharply defined classes of capital and labor. Diffusion of ownership will "result in a closer realization of democracy in the organization of industry." However, it must be borne in mind that with employ stock ownership the employe has all his eggs in one basket—admittedly a risky situation. An example may be cited of a New York company that sold stock to its employes in rosy times; when the company suddenly went bankrupt, the employes not only lost their jobs but also their life savings that were invested in the business.

The authors treat employe investment, cash profit sharing with executives and minor officials and outside salesmen; and phases of profit sharing for the rank and file.

Various appendices give detailed treatment to many of the subjects of the book.

The Philippines—A Treasure and a Problem, by Nicholas Roosevelt. J. H. Sears & Company, New York, 1926. \$3.50.

"The lack of a clear-cut national policy, with the almost certain prospect that if independence is granted it will be followed by political chaos, financial corruption and economic disorder, is the outstanding hindrance to the development of the Philippines."

The Dutch for nearly three centuries have been civilizing the natives of the Dutch Indies; we have been trying to do the same in the Philippines for twenty-five years: about 2½ per cent of the population of the Dutch Indies go to school, while about 6 per

cent of the Filipinos go to school. Examined more closely, this comparison is not so favorable to our methods. The Philippine education is academic and political, while the Dutch Indian is rather economic and agricultural training and much more practical. One result of our education is that lawyers are the most notoriously unemployed of the island population.

Mr. Roosevelt last year visited Java in order to get a comparison first hand of our government and that of the Dutch in the East Indies. In this book he offers the latest survey of the conditions and problems of the Philippine Islands. Ordinary economic problems are intensified by wide differences in culture, in language, and in religion between the various tribes of the islands.

Modern Industrial Consolidation, by J. George Frederick. Frank-Maurice, Inc., New York, N. Y., 1926. \$7.50.

Mr. Frederick not only thinks that consolidations are good for our business soul; but that we haven't enough of them. He devotes one chapter to "Promising Fields for New Consolidation." Soft coal is an industry which is in need of consolidation, he suggests. We may look also for more consolidation of department stores. There's an interesting cycle of events that leads up to that conclusion. The manufacturer at one time was larger than the retailer and, to some extent, dominated him; then the retailer grew up to be a department store and, in turn, rather overshadowed the manufacturer—was, in fact, able to dictate prices and credits. The tendency of manufacturers to consolidate again shifted the balance. Consolidations of department stores may restore it.

Mr. Frederick's millennium of consolidation is not to be reached without halts on the way. From August 2, 1923, to June, 1926, the Federal Government started thirty-five actions against alleged illegal combinations.

RECENT BOOKS RECEIVED

Americans from Abroad, by John Palmer Gavit. American Library Association, Chicago, 1926. \$0.35.

American Labor and American Democracy, by William English Walling. Harper & Brothers, New York, 1926. \$3.

Corporate Resolutions, by Isabel Drummond. Ronald Press Company, New York, 1926. \$6.

Credits and Collections, by Richard P. Ettinger and David E. Golieb. (Revised Edition). Prentice-Hall, New York, 1926. \$5.

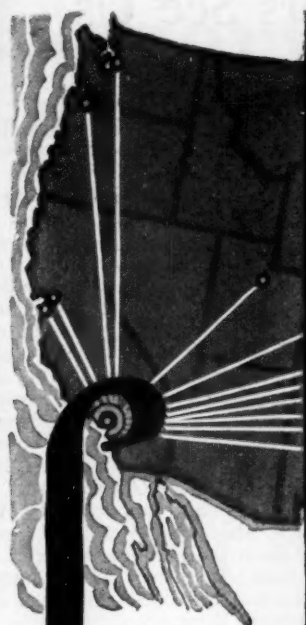
The Green Rising, by W. B. Bizzell. The Macmillan Company, New York, 1926. \$2.

The Mathematics of Finance, by Harry Waldo Kuhn and Charles Clements Morris. Edited by John Wesley Young. Houghton Mifflin Company, New York, 1926. \$3.

Problems in Retailing, by Donald Kirk David and Malcolm P. McNair. A. W. Shaw Company, Chicago and New York, 1926. \$3.

The Stock Market, by Charles Amos Dice. A. W. Shaw Company, New York and Chicago, 1926. \$6.

Wholesaling, by Theodore N. Beckman. Ronald Press Company, New York, 1926. \$6.



* Industry	H. P. Load	Monthly Consumption	Rate per K.W.H.
Large Plants			
COTTON TEXTILES	1,317.50	232,300	0.944c
FOUNDRY	1,987.24	191,800	0.774c
GRAIN MILLING	803.00	188,060	0.882c
RUBBER & TIRE MFG.	10,199.00	2,677,000	0.774c
STRUCT. STEEL WKS	3,021.25	201,290	0.959c
SHIPBUILDING	311.50	164,000	0.989c
PAPER MFG.	855.50	156,300	0.995c
Moderate Plants			
AUTO ASSEMBLY	979.75	94,660	1.047c
WOOLEN TEXTILES	165.00	19,870	1.292c
SHOE MFG.	101.00	7,980	1.611c
BATTERY MFG.	60.00	34,170	1.076c
MEAT PACKING	1,419.25	134,900	1.015c
PUMP MFG.	405.75	12,150	1.669c
FURNITURE MFG.	498.75	17,400	1.433c
PAINT MFG.	153.00	7,410	1.657c



Compare -- Los ANGELES power rates with the rest of the United States!

*The Rate Chart shows only a few individual consumers representing typical industrial activities as a basis for comparison.

Power Rates to Los Angeles industry are 15% to 52% lower than average power costs in large industrial cities. These rates are NET without initial installation costs to the consumer.

LOS ANGELES is a progressive and enterprising city. It is an established purpose and policy of the city, supported by its great civic and business organizations, to control its water and power resources and rates, in order to contribute in a substantial manner to the establishment and growth of industrial enterprises. This policy is the determining factor for stability of low rates for dependable industrial power.

In furtherance of this policy Los Angeles plans its future

power requirements with the same keynote — permanency of construction and stability of rates. The continuation of this policy is further guaranteed by the financially sound operating conduct of its management.

Industrial executives may acquire information of a most specific nature as applied to their established or prospective plants. Call in your plant engineer and require him to advise us fully on the construction and production schedules you contemplate. There will be produced for you an accurate, individual report. Your own conclusions then will be that the savings in power bills alone for a plant in Los Angeles will justify additional plant investment with lower production costs.

Contented LABOR

Freedom from industrial strife.

Center of POPULATION

Concentrated population plus a big tributary market makes Los Angeles the market center of the west.

Abundant WATER

As low as 11c per 1000 gallons, obtained from cities and utilities, 2½c per 1000 gallons obtainable by private wells.

Cheap FUEL

Gas at 20c per million B. T. U's — oil 16½c per million B. T. U's.

Low BUILDING COSTS

Less plant investment required. No extreme weather conditions to combat.

Adequate TRANSPORTATION

Terminus of three transcontinental railroads, a unique electric interurban system of 1100 miles, harbor served by 147 steamship freight lines.

Efficient PLANT OPERATION

100% plant efficiency 365 days in the year.

Proximity to RAW MATERIALS

A great variety of products from the soil, vast mineral resources, both metallic and non-metallic, water-borne raw materials from foreign lands.



BUREAU of POWER and LIGHT

207 So. Broadway • Los Angeles, Calif.

INDUSTRIAL LOS ANGELES

Ourselves as Others See Us

By Raymond C. Willoughby

A LONG LIFE, if not a merry one, is the reward Dr. Fiske, director of "a world famous life extension institute in New York," promises to husbands who en-

But Wouldn't a dure the continual nag-
Nag a Day Keep ging of their devoted
Everyone Away? wives. The man seeking to prolong his days should choose for wife a woman who intolerantly nags, the doctor argues. Of the course commended by the American medico, the *Manchester Guardian Weekly* says:

The woman who knows (and nags) has been a constant pet of the English jester. But the shrew is no longer to be tamed or tittered at: she is to be canonized. Her light, breakfast conversation is the essence of medical wisdom (or so Dr. Fiske maintains). Sharp, wifely remarks about um-

Pecksniff was one of the best characters in Dickens.

UNTIL BRITISH BANKERS lift the fog from their statistical reports, no considerable progress can be made in Britain toward understanding the effect on in-

The Climate May dusty and trade of
Be Cause of movements in the vol-
Foggy Figures ume of banking credit, contends the *Manchester*

Guardian Commercial. A "passion for mystification would be at least comprehensible, if unpardonable," the *Guardian* declares, "if there were something to hide." Proceeding to what should be done about these British statistical mysteries, the *Guardian* asks, "Is it not time to copy the example set by American bankers, whose ample statistical returns frequently form the platform of vigorous attacks on banking policy?" For illustration there is the work of B. M. Anderson of the Chase National Bank, who

in analyzing the increase of bank credit since the war, gives to the world his discovery that the increase exceeds that which was made necessary in war years by war needs. The expansion would be justifiable on the grounds of an increase in the volume of trade, but Mr. Anderson calculates that the rise in the index of production is less than the fall in prices, and that consequently the United States in 1926 needed only 92 per cent of the bank credit required in 1919. This increase has not been needed for ordinary commercial purposes and Mr. Anderson has traced it to real estate loans secured by stock and bond collateral, bank investments in securities and instalment finance paper. That America's gold reserves have been put to such a use is not exactly evidence of sound policy, and Mr. Anderson is of opinion that, apart from ordinary commercial loans, there should be no further growth, for the present, in bank credit. The blame is mainly laid at the door of the Federal Reserve Banks, which through their open



brellas, overcoats and staying late at the office are likened to the apple which keeps the doctor away. Sourness is all. It seems that young men in search of the right wife should think of one thing only: is she one of Nature's naggers? Plainly, all these beauty competitions are absurd; let us have scolds' tournaments and a non-stop nagging bout at the Albert Hall, with Dr. Fiske testing the competitors for acidity. Then at last we shall have the healthful home.

But shall we? Let Dr. Fiske remember his Darwin. Adaptation to environment, survival of the fittest? There is hope yet for husbands, and even before evolution gets to work, there is always cotton-wool.

ON THE WORD of Mr. Bruce, prime minister of Australia, as reported in the *Nation* and *Athenaeum*, Australians believe themselves

Americans Whom Bruce Has Led

was won by American forefathers." This definition of the Australian point of view, the commentator explains, came out while Mr. Bruce was talking to a group of "sympathetic Americans" in London. To them he revealed his faith in "the transfer of the world's center from the older continents to the newer world of the Pacific." From the prime minister's talk, "Kappa" concludes that

Australia, like America, regards with horror the Old World and its ancient hatreds and animosities, and has the ambition of creating a great nation "animated by the desire of uplifting humanity." It is interesting to have this new light upon the Australian ideal. A mere inhabitant of the bad Old World can only regard the picture with silent admiration. In America, I imagine, the admiration will be anything but silent. One might have supposed that the closest sympathy between the States and Australia springs from a common feeling about the sacred mission of the Nordic race. This, it is clear, is a mistaken view. It is in the common possession of noble ideals that this Pacific rapprochement finds its basis. I have always thought that



market policy (i.e., the control of discount rates by large-scale purchases or sale of securities instead of by alterations in the official discount rate), have been able unduly to increase the reserves held by member banks. In the same way the remedy also lies in the hands of the Federal Reserve authorities. They need not curtail drastically; it will suffice if they will hold back and "take in the slack."

THE MOVEMENT of American trade unions for a share in the control of industry by the establishment of labor banks and the purchase of large blocks of

A British M. P. Gives a Tip to British Labor

industrial securities is of great significance to British industrial organization, declares William Graham, member of Parliament, when considering in *Foreign Affairs* whether Britain can learn from America the means for solv-



Big, heavy speeding trucks have smashed into Anchor Chain Link Fences—only to be brought to a standstill!

What chance have sneak-thieves, tramps, and would-be trespassers—against these unclimbable, impregnable barriers of steel!

Anchor Fences have amazing endurance too when pitted against the elements. Their high carbon steel line posts of unequalled strength; copper-bearing steel wire, galvanized after weaving; and other features of construction insure years of protection.

Anchor Sales and Erecting Service is nation-wide. A phone call, wire or letter puts it at your disposal at once.

ANCHOR POST IRON WORKS
9 East 38th St., New York, N.Y.

Branch Offices and Sales Agents
in Principal Cities

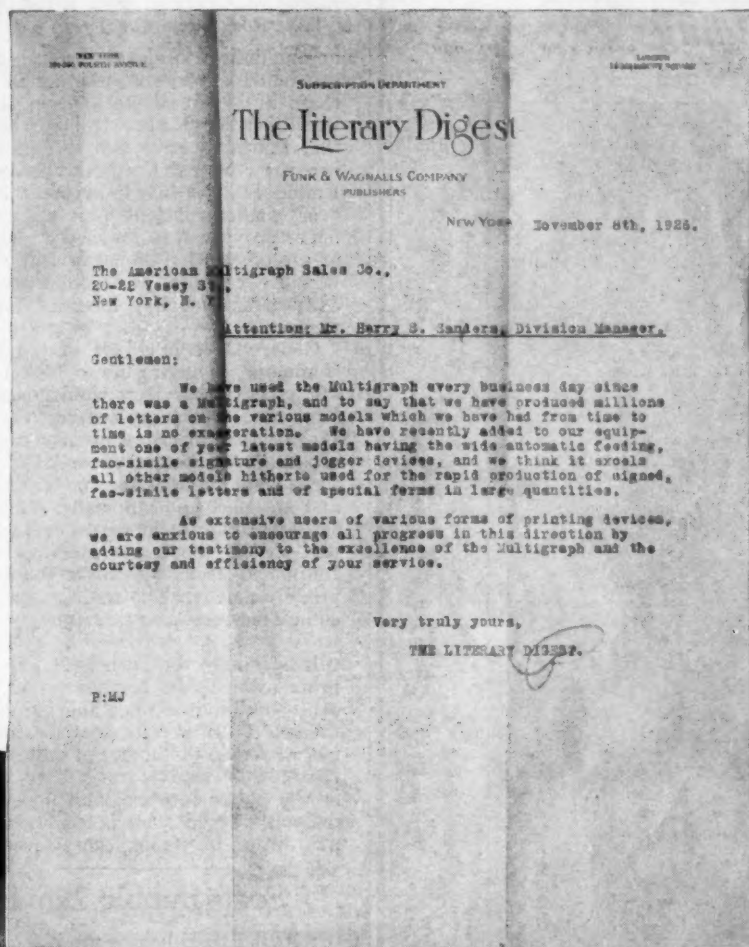
ANCHOR
CHAIN LINK
Fences



BUY THE FENCE WITH THE STRONGEST POST

When writing to ANCHOR POST IRON WORKS please mention *Nation's Business*

--every business day since there was a Multigraph



This Letter Should Interest:

Printers and Publishers—

because it comes from a recognized leader, both in the production and in the sale of printed matter.

Sales Managers—

because it is based upon long experience with a prime factor in distribution.

Direct-Mail Advertisers—

because it was written by one of the oldest and largest users of the mails.

Executive and Financial Managers—

because it recommends an efficiency which is also an economy.

Look in your telephone book for "American Multigraph Sales Company", or write to address below for details regarding recent remarkable additions to the Multigraph line of equipment.

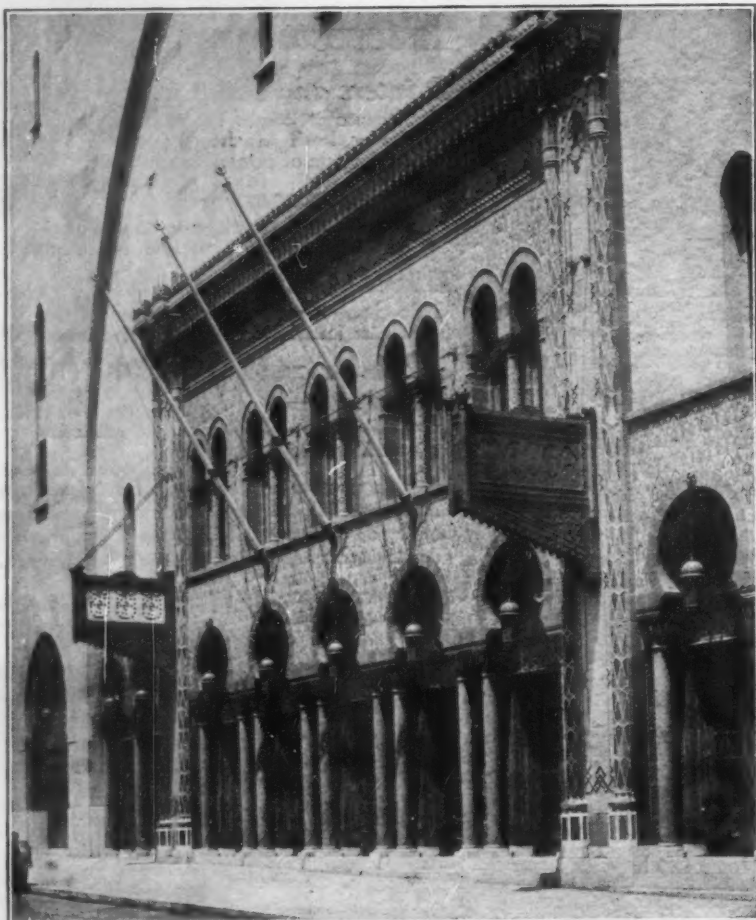
THE AMERICAN MULTIGRAPH SALES CO.
1806 East 40th Street, Cleveland, Ohio



the printing MULTIGRAPH

TERRA COTTA

For Colorful Buildings



Main entrance, Mecca Temple, New York City
H. T. Knowles and Clinton & Russell, Architects
Executed in polychrome glaze Terra Cotta

COLORFUL beauty in architecture is a valuable means of distinguishing buildings from the commonplace. The brilliant Saracenic motif of the Mecca Temple is an example. Send for our booklet showing other beautiful club buildings. It may give you a suggestion.

NATIONAL TERRA COTTA SOCIETY

19 West 44th Street

New York, N. Y.

(On behalf of the Terra Cotta Industry in the U. S.)

ing her industrial problems. If British trade unionism holds to its present policy, he contends, "it will merely postpone the decision which the less advanced American organizations appear already to have reached," for "they have tumbled to the importance of control." Along with this suggestion of the power of finance, he gives notice that the experiment of American labor is hardly beyond the laboratory stage, for

no one desires to make too much of American union experience, whether in the purchase of industrial stock or in the operation of labor banks; it is probably true that the latter have still to face their real encounter with the orthodox finance of the United States. The movement has, however, made sufficient progress to lay its finger on vital features in the management of capital which (almost invisibly in Great Britain) exercise great influence on the daily lives and happiness of millions of workers.

Conservative members of the House of Commons, in urging us to look to American practice, say they would encourage in Britain a "property-owning democracy." By that they mean apparently great masses of small proprietors of capital. Vigorous thrift would give us that under any system, and not least under Socialist public ownership; but the world tendency to combination makes the larger holding inevitable. Individual trade unionists cannot appropriately face it. The trade unions with accumulated resources can.

Increasingly the faith is in public corporation, which Mr. Keynes would probably call something between the individual and the state. If a consolidated trade unionism were also the holder of industrial stock, it would be ready for its place in control, in the public interest; and no appreciable difficulty would arise in adjusting the annual return on its aggregate investment.

Soap Bubble Bombs

SOAP BUBBLE bombs are being manufactured at the United States Bureau of Standards.

Secretary Herbert Hoover, of the Department of Commerce, says the work being done along that line is basic. The manufacture and explosion of soap bubble bombs have revealed the chemical changes that occur in minute detail, whereas nothing could be seen of these changes when the bombs were made of a steel shell.

F. W. Stevens, a chemist who studied in Germany in his boyhood days and later was an instructor in the chemical laboratories of universities, invented the soap bubble bomb as a means of studying energy transformation and the rate of flame propagation. Adjustment of cameras to photograph the changes has given complete and satisfactory records of the results.

Bursting Bubbles Photographed

IN TELLING of the various experiments made before the soap bubble bomb was devised, Mr. Stevens says:

"A spherical bomb of glass was used instead of steel. This device proved unsatisfactory. An attempt was then made to use a soap film container, fired from the center. The use of this simple and easily manipulated device in connection with photographic methods revealed not only the accurate symmetry maintained by the transforming zones during the reaction but showed also that, at constant pressure, the rate of flame propagation within the explosive gases remains constant during the reaction."

English Communities Try Publicity

NO BRIEF need be filed in this country for community advertising. Results have convinced even the most sceptical. But in England advertising has been looked upon askance—something a bit blatant, even crass; in a word, something “not done.” So the idea of community advertising has been slow in gaining general acceptance except by the resorts which have used it for some time.

In *Editor and Publisher*, E. Hope Prince, editor-in-chief of the *Liverpool Echo*, discusses the progress of this phase of the new competition. Mr. Prince speaks with authority as the editor of an evening paper that claims to be the largest of the evening papers in the United Kingdom, and as coming from Liverpool—“The first city to take up community advertising seriously.”

“Some two or three years ago,” says the English editor, “a number of Liverpool business men decided that if the municipality itself, or the great Dock Board, was not yet prepared to undertake the experiment, they would, at their own expense, establish an organization for advertising the city, and for disseminating news of its great shipping facilities, its position as a distributing center for the fifteen million richest people in Great Britain—I refer to the manufacturing, to the cotton, woolen and engineering districts of the northwest and the Midlands—and of its suitability for industrial development.”

“The first result of the establishment of this organization,” said Mr. Prince, “was to show Liverpool itself that while, by reason of its wonderful transport system and its proximity to the workshops of England, it was an ideal center for the manufacturing industry, it was still what it had been in the sixteenth and seventeenth centuries, a city of ships.

Improving Port Trade

IT ALSO succeeded in inducing the municipality to set up a committee for the purpose of devising means for improving the trade of the port, and as a result of its general activities it has attracted the attention of business men throughout the whole world.

“Liverpool may be said to have shown the way to other English cities. In advertising it spends a paltry sum, when measured by the sums which are spent by smaller towns in America, and the money still comes from the pockets of a few public-spirited men,—but it has given life to a movement which is growing with great rapidity.

“Other towns have adopted the idea. Leeds has decided to form an official publicity bureau, and this year it will spend ten thousand pounds sterling on one week of concentrated propaganda. That is enough to make a Leeds man of a past generation turn in his grave!

“Hull business men have been called together by the Lord Mayor for the purpose of forming a communal advertising company.

“Bristol, animated by Liverpool's example, has raised a large sum, at the call of the Lord Mayor, for advertising the port.

“Newcastle and the smaller towns on the Tyne have joined together to form a Tyne Development Association, which is now advertising the advantages of the Tyneside in the press of the country.

“Plymouth has formed an advertising committee in connection with its Chamber of Commerce.

“Sheffield has a development bureau, and Manchester, which owes much of its prosperity to the advertising genius of one large undertaking, is increasing its expenditure on communal advertising. I imagine that the



The thing which is recognized as familiar isn't nearly so strong as the one which is recognized as good

Many business men will grant that their stationery and customer forms could be improved. They say, however, that they would be throwing away something priceless if they made a change.

This is false doctrine. A change for the better is always recognized and applauded. Good design, good paper, and good printing make impressive and effective letters.

For any business house that has a proper appreciation of the value of fine stationery in establishing a good impression, and repeating it until it becomes part of the company's good will, Crane's Bond deserves first consideration. It is widely known among business men for its important commercial and financial associations. And its appearance speaks for itself.

The Crane's Bond portfolios demonstrating how good design and all-rag paper express integrity will be sent to executives upon request.

Crane's Bond

A 100% NEW WHITE RAG BUSINESS PAPER

CRANE & COMPANY · DALTON, MASS.



Extra Power Through the Full Line

Extra power is engineered into the full line of Wisconsin Motors—Sixes and Fours. Each model follows the improved overhead-valve design upon which Wisconsin has long specialized because of its consistently greater power output and economy.

Whether the job to be powered is truck, bus, tractor or industrial machinery, a Wisconsin will give you "More Power per Cubic Inch" of piston displacement, more work per gallon of fuel and oil—fewer, cheaper repairs, and more working time between them.

Wisconsin Power has become a real sales asset—a line easier to sell, a simplified service problem, and performance that builds up good will.

We will gladly send the facts and figures.

Wisconsin Motor Mfg. Co.
Milwaukee, Wisconsin

Wisconsin motors are built in a full line of Sixes and Fours with a power range from 20 to 120 H. P.—for trucks, busses, tractors and construction machinery.

Wisconsin
CONSISTENT

technique of British city advertising will never quite approximate to that in America. The normal Britisher turns pale when he reads of the terrifying efficiency of some of the American methods.

"He is being compelled, by the force of circumstances, to adopt the American outlook more and more."

Mr. Prince traced back England's "present mood of flirtation with the idea of community advertising" to the need for trade expansion after the war.

"The attitude of indifference to community advertising was comprehensible in the years before the war," he stated, "when Britain's trade continued to expand, and each town took its share of the increased trade without inquiring too closely into the measure of success which was attending its rivals. Towns appeared to be fairly content with the portion of success which God sent them."

"But when the process of continuous trade expansion slackened, and it was discovered that the stream of wealth tended to flow, for some freakish, inexplicable reason, to other towns, they began to see that there would require to be an adjustment of their mental processes and their advertising technique if they were not to stagnate, or even to retrogress."

"In the case of seaports, with which I am more familiar, we reached the stage at which, broadly speaking, there was a similarity of service to exporters and importers, and a fairly level standard of rates. But despite that fact some of the younger ports began to capture a portion of the trade which, for many years, had been the virtual monopoly of the older established."

Congress and Fashion

CONGRESS has a brand new problem on its hands. If the proposition were to be stated for the high school debating team, it would be put in this way:

"Resolved, That it is more foolish for a woman to wear furs in summer than the sheerest stockings in winter."

"Affirmative—David C. Mills of New York, representative of the National Association of the Fur Industry."

"Negative—Representative Walter W. Magee of New York."

The truth is that such a debate actually took place behind the closed doors of the Appropriations Committee of the United States House of Representatives, and the official transcript of the executive session shows that Mr. Magee was against appropriating more money to help raise fur-bearing animals so long as women "go around on a day when it is 100 degrees in the shade, wearing furs around their necks."

Mr. Mills defended the fashion, and asserted that the "automobile has done a great deal to bring about that situation, because a woman is not comfortable in a car, traveling at the seashore or mountains unless she has her neck wrapped up."

"The hotter the day the more fur you see," argued Mr. Magee, "and I am impressed with the ridiculousness of it."

"There is only one thing that is more ridiculous—the colder the day, the sheerer the stockings," said Mr. Mills.

"I do not know that I ought to say it, because the members of my own family are included," said Representative Magee, "but the hotter the day, the more furs you see. That strikes me as ridiculous."

"Fashion is stronger than the government," declared Mr. Mills.

"They run everything, anyhow. That must be conceded," agreed Mr. Magee.



S. A. Hargraft

President of Hargraft & Sons, Chicago, Ill., largest imported-tobacco company in this country, distributing the famous Ben Wade Briar Pipe and the Hudson Bay Company's tobaccos

"The Dictaphone gives me time to t-h-i-n-k"

"I refuse to be harried or hurried by shorthand," declares S. A. Hargraft, prominent importer

Users of high-grade pipes and tobacco know what "Sponsored by Hargraft" means. Read how he also "sponsors" The Dictaphone. Then resolve to try it yourself — using the coupon below.

LIKE many other executives of successful sales organizations, S. A. Hargraft, President of Hargraft & Sons of Chicago, does much of the big selling himself. Customers must be cultivated by frequent contacts. But to talk with them and attend to important correspondence *simultaneously* is, of course, impossible.

Mr. Hargraft and his associates met this situation squarely—by using The Dictaphone in all their offices.

"We'll not be bothered with shorthand," says Mr. Hargraft, "when The Dictaphone serves us so much better. We are out most of the day, hence do

much of our dictation after hours. But even if we were always in, we'd have Dictaphones—they're so much more handy and useful.

"I use The Dictaphone to keep in touch with accounts the country over and with our factories in England and Canada. But I like The Dictaphone most because it gives me time to *think*."

Miss Mary Brooks, Mr. Hargraft's secretary, also likes The Dictaphone far better than shorthand. "Besides giving me time to relieve Mr. Hargraft of many duties," she asserts, "it enables me to arrange my day to suit myself. The Dictaphone's so much more simple and so easy to listen to!"

Executives and secretaries in all lines of business say much the same thing. But you can never enjoy The Dictaphone's benefits until you *try* it. Why not mail the coupon today?

DICTATE TO THE DICTAPHONE

REG. U.S. PAT. OFF.

and double your ability to get things done

What's Wrong With Shorthand?

Executives say:—

- "Out sick, so my letters have to wait."
- "If I could only dictate while it's fresh in my mind."
- "I'm forced to cut dictation short."
- "She can't help me with other things."
- "If she could only take it as fast as I think."
- "It's the 'ring and wait' system."
- "She can't get out all she's taken."

That's enough! I'll send in the coupon below on general principles.



Mary Brooks

Private secretary to Mr. Hargraft, finds that Dictaphone work is "much quicker, much more systematic and much more interesting and pleasant" than nerve-racking, round-about shorthand

What's Wrong With Shorthand?

Secretaries say:—

- "I'm sure he said that, but . . ."
- "No one else can read my notes."
- "Those awful waits while he chats over the phone."
- "Hours wasted while he's in conference."
- "These endless notes make me dizzy."
- "I'm nothing but a bell-hop."
- "No time for real secretarial work."

That's enough! I'll show him this trial offer right now.

MAIL WITH YOUR LETTERHEAD

Dictaphone Sales Corp.,
154 Nassau St., New York City
☐ Please notify your nearest office to let me try the New Model 20 without obligation.

☐ I want to read what leading executives or secretaries say about increasing their ability with The Dictaphone. Mail me FREE copy of your booklet, "What's Wrong with Shorthand?"

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NB-1

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THE shortest route to the Orient is also the inexpensive way. Note these round-trip fares:

\$600 Yokohama and return. Sail from Seattle for Yokohama, returning via Honolulu to San Francisco. Or return direct from Yokohama to Seattle.

\$692 Shanghai and return. Sail from Seattle for Yokohama, Kobe and Shanghai, returning from Japan to San Francisco via Honolulu. Or return direct from Yokohama to Seattle.

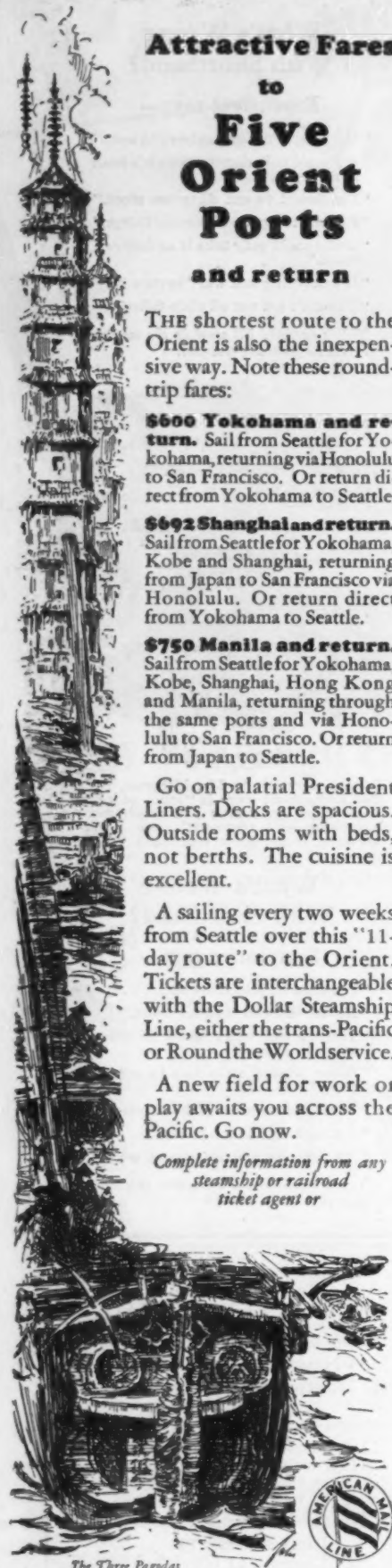
\$750 Manila and return. Sail from Seattle for Yokohama, Kobe, Shanghai, Hong Kong and Manila, returning through the same ports and via Honolulu to San Francisco. Or return from Japan to Seattle.

Go on palatial President Liners. Decks are spacious. Outside rooms with beds, not berths. The cuisine is excellent.

A sailing every two weeks from Seattle over this "11-day route" to the Orient. Tickets are interchangeable with the Dollar Steamship Line, either the trans-Pacific or Round the World service.

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News of Organized Business

By Robert L. Barnes

QUESTIONS of national policy are no longer settled by the solons of the village store. Nor do these questions lend themselves to solution in these limited forums, for, with the increase in complexity of modern life, newsprint has replaced oral debate as a means of forming opinion. As our government rests on our devotion to certain democratic formulae, among which is faith in the judgment of the average man expressed through the ballot box, it is extremely important to make the electorate literate, at least.

As in politics, so in business, modern methods make mutual understanding imperative. Because of the large number of workers who must be kept informed, the written word is superseding the spoken word. For most people who take their ability to read as a matter of course, it is hard to realize the handicap imposed on someone to whom even street car route signs, fire hazard placards and factory notices are unintelligible.

All this and more has already been written and shouted about the dangers of illiteracy. The picture paper was probably an answer to the prayers of the quarter of our population that cannot read the newspapers. But although the figures on our illiterates are staggering, there is a bright side to the picture in illiteracy's decreasing proportions. For instance, the native-born illiterates between ten and fourteen years old numbered 552,200 in 1900, while in 1920 they numbered 226,748. These figures indicate the more general use of school facilities.

As school attendance laws are more rigorously enforced, these figures will be reduced. What the Civic Development Department of the National Chamber wants to do is to point out that the path to literacy leads through the schools and to get a general acceptance of this idea so that, when the next census is taken in 1930, it will show a decided diminution in the number of illiterates. It is a long, slow, unspectacular job, but in the course of time an almost wholly literate population can be built up.

How and Who?

HOW many grocers and druggists are there? And how are they distributed throughout the United States? Who sells trunks and furs and bonbons? And do they sell them exclusively or as attractive additions to their regular stocks? These and a host of similar questions will be answered by the distribution census which is being urged by the Chamber's Committee on the Collection of Business Figures.

Eventually the census will provide extensive information to all classes of business men. The manufacturer, for instance, will have reliable distribution figures to guide his output, the wholesaler will learn of new out-

lets for his goods, and the retailer will be able to estimate the purchasing power of his territory.

Plans are now being made for the collection of the first figures which will exemplify the usefulness of a wide national distribution census. The Director of the Census and a sub-committee appointed by Chairman Owen D. Young at a meeting held in New York on December 8 are working together in drafting a schedule and setting up machinery for obtaining immediate results.

Widespread publication of business figures, the committee believes, will result not only in eliminating marketing wastes but will also be a powerful factor in eradicating violent price fluctuations. Henceforth, figures will be available where heretofore only rough estimates have been possible.

Financing

LAST month, Colvin Brown, in his series of articles on local chamber and trade association activities, discussed the problem of financing their activities. We recently received some relevant information on this subject from the Seattle, Washington, Chamber of Commerce.

Instead of raising its budget fund every three years by a drive in which a large num-

ber of workers solicited three-year pledges, they now have the head of the Finance Department and one assistant devote their entire time to soliciting budget prospects and re-signing those whose pledges have expired. The advantages of this plan are many. For one, it relieves a large number of business men from a great amount of arduous work. For another, it insures covering many prospects who formerly were missed because of absence from the city during the campaign. The prospect receives a sales talk from a man who is informed regarding the work of the chamber and is able to meet nearly all stock objections. The salesman also is informed ahead of time as to how much the business man can pay for the benefits that the business man will receive from his contribution.

Buried in "Luxuries"

MONEY! The aim of capitalists as they force an unwilling public to buy the conveniences that modern artifice has made it possible for the great mass of the population to possess. Yes, undoubtedly so, but does that corrupt the good that comes from buying these drugery-lessening products? However, this question of morals does not interest us here so much as the story of how a group of realists, representative of American women after finding an intolerable condition, turned to these mercenaries as the logical people to clear up a bad situation.

The General Federation of Women's Clubs undertook a Home Equipment Survey which covered eight million families, living in 2,228

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ANCIENT PORT TAXES were figured on the length and beam of the ship. Merchants, the boat owners of those days, soon saw the advantage of bulging bottoms, giving extra cargo at no greater tax, but they sacrificed speed to illicit quantity. Today in commerce and industry exactitude of measurement is essential, particularly in matters of temperature.



In selling instruments of measurement the obligation is ACCURACY

If you knew exactly which instruments you sold were to be arbiters of life or death—you could sell to those buyers your best, and carry less accurate instruments for others. But you never know when any particular instrument of measurement may become an instrument of destiny.

The instrument you sell today may decide the fate of your community's most valuable citizen tomorrow. On the seller, on the maker of such instruments rests a heavy responsibility. In industry at its critical points; in the sick room while life hangs in the balance; on land, on sea, in the air when accuracy may mean life or death—Tycos instruments are meeting their obligations faithfully. The Taylor Instrument Companies make over eight thousand styles of Tycos Instruments used in the home, the hospital, the laboratory, in industry, on land and sea and in the air. They answer questions of temperature—accurately.



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THE SIXTH SENSE OF INDUSTRY

Tycos Temperature Instruments
INDICATING · RECORDING · CONTROLLING

"Because NATION'S BUSINESS helps me so ably

in the study of business from a nation-wide viewpoint," says Carl R. Gray, President of the Union Pacific System, "I consider it indispensable."

Because so many business leaders find NATION'S BUSINESS indispensable, it has grown till its circulation is now a quarter of a million. If your advertisements are intended to reach such an audience, write today to our Advertising Department.

NATION'S BUSINESS
Washington, D. C.

communities in the forty-eight states. This probably drew a picture of the conditions of living of thirty-two million people, or in the neighborhood of half the people living in municipal boundaries. So these results warrant attention. What were the conditions that made these women go to various trade associations for help? As Mrs. Sherman, president of the women's organization, points out:

As a nation, we American women do not live efficiently; we do not reduce drudgery to a minimum, even when means and opportunity permit; we do not avail ourselves of sanitary and labor-saving equipment, but prefer certain luxuries and recreations to release from almost primitive forms of domestic facilities.

We Americans are so absorbed in achieving what we have set out to do, we



are so driven by a number of things, each of which seems too important at the moment to be ignored or neglected, that some of us do not take time to follow a situation or a problem through.

Instead, we take for granted what has been traditional or customary. We have said over and over again that we were a progressive people, knowing how to make money and how to buy conveniences and comfort with that money, until we believed this firmly. We have believed we lived efficiently.

Mrs. Sherman then goes on to point out that we have at times pitied Europeans for the primitive living conditions in their countries, but this attitude was only due to a lack of knowledge of conditions in this country, where many places are without even water or sewerage systems. Whole communities must carry water in, and waste out, of their houses by hand and yet, as the survey proves, many of these families own automobiles, radios, and phonographs.

What is the answer? Do American men and women seek more to kill the monotony than the drudgery of housework? It would seem so, for the facilities which relieve the entire family, including the mother, of monotony, outrank the devices that lessen the drudgery. Automobiles, telephones, phonographs and pianos outstrip in numbers the electric washing machine, dishwasher, electric sewing machine, vacuum cleaner, and mechanical refrigerator.

Even the radio, new device that it is, outranks all the time savers except the vacuum cleaner and laundry tub.

In smaller towns the facilities for recreation are owned by more people than what are usually considered the necessities. The bathtub, flush toilet, washbasin and stationary laundry tubs are outnumbered by the automobile, telephone, etc.

It is amazing, but a larger proportion of communities have library facilities than have sewer systems or regular garbage collection.

After discovering these conditions, the women went to various trade associations to enlist their help in remedying these conditions. The women's attitude was not that there should be fewer automobiles but that there should be more washtubs, etc.

Spotty light spoils streets

ARE your streets illuminated at night—or are they merely punctuated with illumination?

When walking or motoring, do you pass unconsciously from street lamp to street lamp—over an evenly lighted thoroughfare? Or is your approach to a street lamp like the approach of a train to a light shaft in a tunnel? Do you emerge from shadowy blackness into glaring light, then go deep into blackness again?

To make streets bright and secure, light must be evenly distributed from curb to curb and from lamp post to lamp post. It must be directed where traffic is moving.

Bi-lux does this. Bi-lux is a new kind of refractor which directs five times the normal light up and down streets where traffic is densest. It floods extra light across from curb to curb. It keeps sidewalks sprayed brightly. It makes your streets as bright between lamp posts as under the lamp posts themselves.

With Bi-lux, cities can put an end forever to uneven, spotty, inadequate light. St. Louis, for instance, is investing \$8,000,000 in street lighting—the world's largest street lighting project. The first section, consisting of 12,000 units of Westinghouse equipment, is now being installed.

From Westinghouse your community can get anything for street lighting—from generator to MAZDA lamp. The Westinghouse Illuminating Engineering Bureau helps with counsel.

WESTINGHOUSE ELECTRIC & MANUFACTURING CO.

Offices in All Principal Cities

Representatives Everywhere

Localized Service—Men, Parts, Shops



One of the first electric street lamps ever brought to America was brought to St. Louis. Tony Faust, famed restaurateur, returned from a French exposition with two ancient arc-lights. He put one inside his shop, the other outside. Many citizens predicted the place would be blown up some fine night. Others shook their heads and warned that a blight of insects or a deadly pestilence would be inevitable.

Westinghouse

STREET LIGHTING EQUIPMENT

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Westinghouse Street Lamp,
with Bi-lux Refractor.



Heat Treating Economy

Bohnite case hardening compound has performance records that definitely assure you a greater heat treating economy and a uniformity of production all of which are emphatically reflected in your production costs.

Write for proof of our statements

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The GLEN SPRINGS

IN all America, there is no other place like this—where the Radio-active mineral springs and the natural Nauheim brine baths offer you all the advantages of European Spas.

An estate of a thousand pine-fragrant acres. A setting of matchless scenic loveliness in the heart of the Finger Lake country. A justly famous cuisine, with private Dairy and Poultry farms. A daily concert program. Visit "the American Nauheim" this winter—and take off ten years!

The Baths and other treatments are especially suitable for heart, circulatory, kidney, nutritional and nervous disorders, rheumatism, gout, and obesity. Complete medical and hydrotherapeutic facilities, and modern aids to diagnosis. Write for illustrated booklets and special winter rates.

THE GLEN SPRINGS
WATKINS GLEN • NEW YORK
WILLIAM E. LEFFINGWELL, President

So they went to the plumbing organizations, the electrical groups, and the public utilities, asking each for their help. The associations have all been very eager to help. It helps their business, and it *does* mean an increase in the efficiency of the American family. What is good for one is good for all.

Looking over the tabulated figures of the survey, several questions are immediately raised. What is a high standard of living? Does it mean the possession of an automobile or of running water? Is it more important to have a bathtub in every house or to have a community library? Is the excess of libraries over sewerage and garbage disposal facilities due to Carnegie or to the well-known beneficent work of heavy rainfall?

Planning Land Growth

APPLYING the principles of city planning, and of the more recent movement for regional planning, to the whole of the national area is called for in a comprehensive treatise on "Land Planning in the United States for the City, State and Nation," issued under the auspices of the Joint Commission of Real Estate Education. This work goes into the problem of farm lands, forest areas, recreational, scenic, and water resources, and their development in such a way as to minimize the huge economic loss constantly being entailed by the present haphazard methods.

This book is published as volume nine in the standard texts relating to real estate and issued jointly by the National Association of Real Estate Boards, the United Y. M. C. A. Schools, and the Institute of Research in Land Economics and Public Utilities. It is written by Harlean James, executive secretary of the American Civic Association.

Dr. Richard T. Ely, American economist and editor of the series, in a preface to the



book points out that the whole problem of conservation is a problem of land planning. "City planning is now making way for regional planning, or, perhaps one should say, is becoming part and parcel of regional planning. It is quite evident that the regions surrounding an incorporated city must be planned out carefully if we are to have the kind of cities we desire, and the earlier the planning the larger the results accomplished with given expenditures. We see clearly on every hand the enormous loss involved in rectifying mistakes that could easily have been avoided with wise planning," he writes in the preface.

But many yet do not see that agricultural prosperity, and consequently the prosperity of the country as a whole, depends upon the planned out utilization of agricultural land. Moreover, the utilization of agricultural land cannot be well planned unless agriculture is considered in its relations to utilization of land for forests, for recreational purposes, for urban uses and all other possible uses. The troubles of the farmers now are essentially due to the fact that we have not had wise planning in the utilization of land. A great deal of land that should be producing crops of trees is now producing other kinds of crops and very generally at a loss, because the land is poor land for agricultural pur-

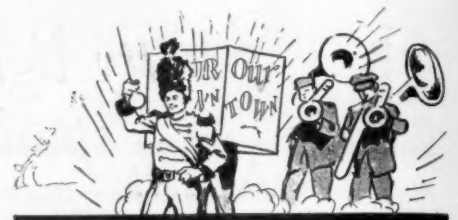
poses. We have the further result that food at high costs is dumped on the market and produces the phenomenon of a surplus that is disturbing us economically and politically.

It is only as we make a synthesis, taking in the planning of land as a whole, that we can have the foundation of the highest attainable economic prosperity:

Self-Government

RECENTLY the National Chamber received an inquiry from the Canadian Horticultural Council for information as to what the Chamber had done in the line of promoting self-government in business. The Council is an organization representing 216 horticultural or allied industrial organizations which have an underlying membership of 85,000. In the letter acknowledging receipt of the material, E. B. Luke, president of the organization, wrote:

Our council is really a parliament of horticultural and allied industries in Canada,



and each and every industry is represented on it.

It is a fairly ambitious scheme, but after nearly five years we are making good progress and believe that excellent results are being obtained by bringing the related organizations together and getting them to work on a common basis.

The reason I am interested in this matter of self-government in business is that I have found that, particularly in horticulture and agriculture, possibly in other lines, although I have not had the same experience, the tendency always is to let the government do it, and my belief is that the various industries can regulate themselves better than any outsider, including the government, but before they are ready to do this there is much to be done.

Exports Increase

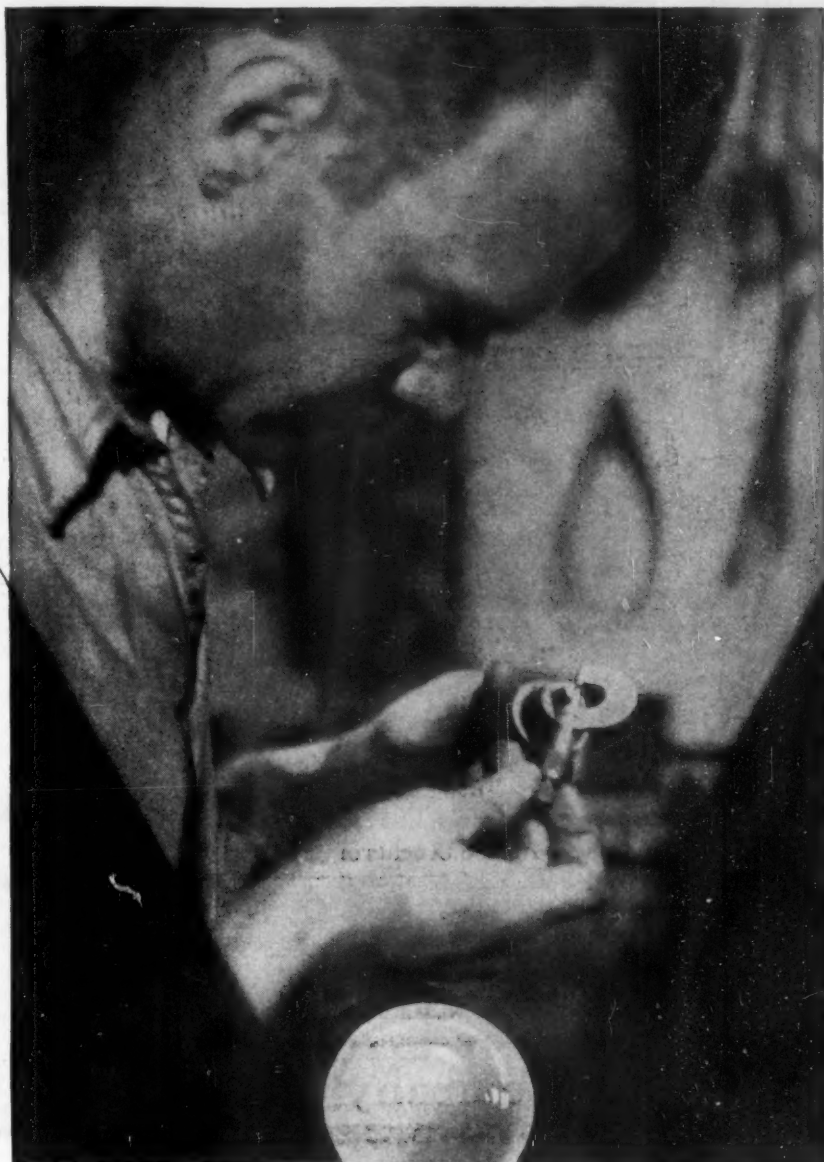
IN CONTRAST to the first six months of 1926, which showed an excess of imports over exports, the figures for the first nine months of last year show export values in excess of imports. Imports failed to maintain their high monthly averages of earlier months and exports gained during the third quarter of the year. This was partly due to the increase in European demand which had been weak up to the end of the first half of the year but picked up for the third quarter.

Our World Trade, a publication of the Foreign Commerce Department of the National Chamber, is ready for distribution to those interested. Its figures are based on official statistics from the Bureau of Foreign and Domestic Commerce and are subject to revision.

Where to Trade

A NEW departure, so far as we know, in the field of "Buy at Home," "Trade in Hometown" movements is being tried out by the Bloomington, Indiana, Chamber of Commerce. Over the signature of "The Friendly Fifty," a series of fifty-two advertisements, one a week, is appearing in four local newspapers. These ads are on a variety of topics,

Light up.... for accuracy



WHERE accuracy means anything, good lighting means everything. For keen vision, accurate and rapid physical response and freedom from eye-strain and fatigue depend on proper illumination.

Why not give better lighting a trial in your plant? All it asks is a chance to prove its case. A trial installation in one section of your plant will not interfere with the

regular routine. The results will prove conclusively that better lighting pays.

Ask our engineers to send you a bulletin about lighting your particular kind and size of business or to send a man to advise with you about lighting. There is no obligation and no charge. Just drop a line to the Edison Lamp Works of General Electric Company, Harrison, New Jersey.

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—for closer scrutiny



CLOSE scrutiny, supported by seasoned judgment, forms the background for our varied bond offerings. All the benefits of intimate world-wide contacts, broad statistical resources, long experience in all fields of finance become yours when you buy bonds recommended by The National City Company. Monthly lists of current offerings will be sent you regularly upon request.

The National City Company

National City Bank Building, New York

OFFICES IN 50 AMERICAN CITIES . INTERCONNECTED BY 11,000 MILES
OF PRIVATE WIRES . INTERNATIONAL BRANCHES AND CONNECTIONS

one reproducing the Principles of Business Conduct of the National Chamber, another on Good Roads, etc. No appeal is made to "Buy in Bloomington." If there is criticism of any activity in the ads, buyer and seller share equally; as, also, in any commendation.

The cost of this publicity is carried by fifty firms each paying a dollar a week, and so far but two of the fifty have "welshed" on their payments. According to the secretary of the local chamber, Mr. C. W. Murphy, the experiment has up to the present shown beneficial results, and this statement is based on the experience of thirty-one weeks.

Discuss Water Power

AT THE meeting of the Western Division of the National Chamber, held at Colorado Springs, the subject which attracted most interest was the settlement of water rights between the states on the Colorado River. A major problem of the west is the development of water projects—that is, the use of water resources for power, reclamation, flood control, and supply.

Most discussion at the present time centers around the Colorado River development, in which the seven southwestern states are vitally interested. The meeting did not come to a final decision, but was the most representative of all factions which has yet held public debate.

Although the Colorado River is the outstanding project, the problem of the utiliza-



tion of the Columbia, the Willamette and other rivers is receiving the attention of western business men.

The next Western Division meeting will be held in Honolulu, it was decided unanimously. Trade—community and tourist—has grown enormously in the last few years, and it is logical that these men living in states particularly interested in the development of our Pacific relations should attend the meeting.

Coal, copper, corn and cotton are the most interesting of the bulk exports of the period covered by the publication. Seaports were bustling with coal carriers, corn prices were down and quantities up, cotton shipments declined only 5 per cent from the heavy shipments of the previous year though values were down 25 per cent, copper prices were lower and shipments were smaller. The figures show that three-fourths of our exports were in manufactured lines.

With the decline in rubber prices we have the surprising phenomenon of Japan standing ahead of the United Kingdom in the list of our suppliers. Japan now stands fifth in our list of customers and third among our suppliers.

Another Bonus

JUST AS the bonus to induce a new industry to a city has proved of doubtful value, so the bonus to induce a convention to a city has proved unsound. According to the International Association of Convention Bureaus, it is also unethical. This point is made in a letter from a prominent convention bureau manager who writes that the



In Selecting . . .
**YOUR MEMORIAL
TO A LOVED ONE**
..you can provide
no tribute more
appropriate, more
inspiring than . . .
**Golden-Voiced
Deagan
Tower Chimes**

Deagan Chimes—played by organist
from electric keyboard.

Installed in the belfry of your Church, Deagan Chimes symbolize the memorial spirit in its deepest and most beautiful sense. Their rich, mellow tones, sending forth the familiar strains of sacred old hymns, become a daily inspiration to reverence . . . a priceless community asset . . . an enduring monument to the loved one whose memory they perpetuate.

Standard Sets \$6,000 and up.
Complete descriptive literature on request.

J. C. Deagan, Inc.
EST. 1880

272 Deagan Building, Chicago, Ill.

When writing to THE NATIONAL CITY COMPANY and J. C. DEAGAN, INC., please mention Nation's Business

chamber of commerce that furnishes free rooms, extravagant entertainment, and in other ways seeks to break down the code of ethics adopted by the Internal Association of Convention Bureaus is doing their city more harm than good.

New Nacos President

WALTER O. LOCHNER, secretary of the Trenton, N. J., Chamber of Commerce, was recently elected president of National Association Commercial Organization Secretaries for the year 1926-1927.

Mr. Lochner was elected to the position as president at the annual convention in Pittsburgh, Pa. He was, last year, secretary-treasurer and has been a director of the organization for the past two years. He was a member of the 1924 Program Committee and its chairman in 1925.

He is responsible for the publication of "Chamber of Commerce Income and Support," and it was under him that the first full-time executive office of NACOS was established.

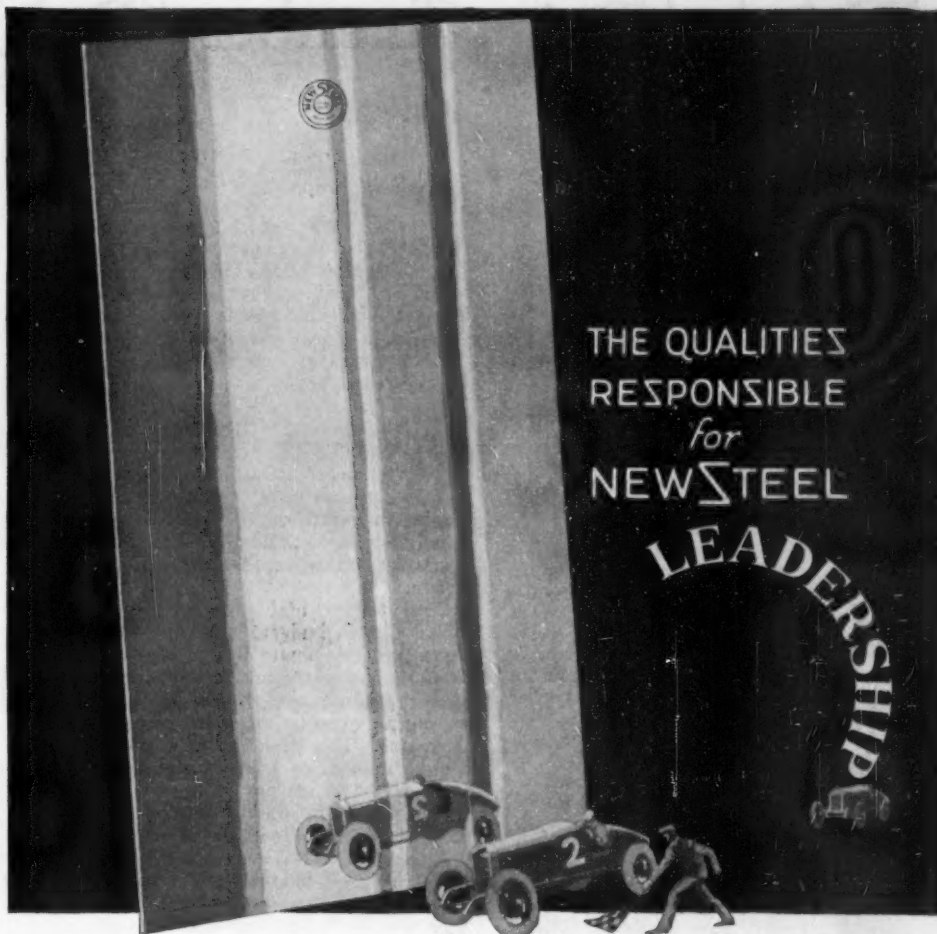
His election to the presidency is the climax of a long career of work for NACOS.

Clarence R. Miles, secretary of the Davenport, Iowa, Chamber of Commerce, is the newly elected secretary-treasurer. Members of the new Board of Directors are: John B. Reynolds, Indianapolis, Ind., first vice-president; Roscoe H. Goddard, Worcester, Mass., second vice-president; L. P. Dickie, Tampa, Fla.; William Holden, Tulsa, Okla.; M. E. Melton, Texarkana, Ark.-Texas; Christy Thomas, Seattle, Wash.; H. M. Van Auken, Wichita, Kans.

Coming Business Conventions

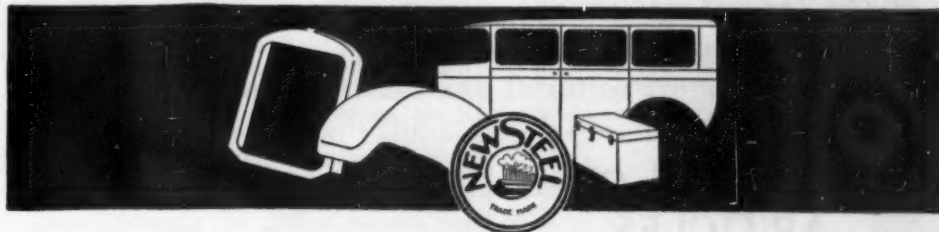
(From Information Available December 20)

Date	City	Organization
Jan. 31 to Feb. 5	Cleveland	Artistic Lighting Equipment Association.
Feb. 1-4	Detroit	Page Fence and Wire Products Association.
Wk. of Ist.	Chicago	Common Brick Manufacturers Association of America.
1-3	Detroit	Sand Lime Brick Association.
2	New York	Textile Color Card Association of the U. S. Inc.
3	New York	Association of American Wood Pulp Importers.
3	Boston	New England Street Railway Club.
7	New York	American Steamship Owners Association.
7-8	New York	National Association of Retail Secretaries.
7-10	Milwaukee	International Association of Master Painters of U. S. and Canada.
7-12	Ottawa	Ottawa Motor Show.
8	New York	Corset and Brassiere Manufacturers Association of U. S.
8	Chicago	National School Supply Association.
8-9	Boston	New England Builders' Supply Association.
8-9	Boston	New England Retail Clothiers' and Furnishers' Association.
8-11	Pittsburgh	Merchant-Tailors Designers Association.
8-11	Washington	Tile and Mantel Contractors' Association of America.
10-11	Chicago	Hollow Building Tile Association.
14-19	Detroit	American Ceramic Society.
15-18	Philadelphia	Pennsylvania and Atlantic Seaboard Hardware Assn., Inc.
15-19	Chicago	Midwestern Engineering Exposition, Inc.
15-19	Chicago	Chicago Power Show.
17	New York	American Railway Car Institute.
21	New York	American Paper and Pulp Association.
21-22	Chicago	American Concrete Pipe Association.
21-23	Chicago	National Association of Paint Distributors.
21-23	New York	National Paper Trade Association of the U. S.
22-24	Chicago	American Concrete Institute.
22-24	Washington	National Association of Builders Exchanges.
22-24	Boston	New England Hardware Dealers Association.
22-25	Atlantic City	Wholesale Stationers Association of U. S. A.
23-24	Chicago	Central Supply Association.
24-26	Cincinnati	National Builders Supply Association, Inc.
24-26	Tacoma	Western Retail Lumbermen's Association.



THE qualities which have advanced Newsteel Sheets—good steel sheets—to leadership are their superior ability to take all manner of draws, bends, stampings, and punchings; their certainty of giving long and true service after severe shaping operations; and finally, a density and a freedom from flaws which give an even surface and assure good finishes.

Today, the business world is awake and receptive to the advantages of products made from sheet steel—auto bodies and parts—one of the most important uses . . . desks, files, cabinets, partitions . . . even elevators. The very qualities that recommend these products, however, emphasize the importance of using steel sheets which make for longer and more satisfactory service . . . and yet keep manufacturing costs at a minimum.



Because Newsteel Sheets—good steel sheets—meet these requirements perfectly, they have attained recognized leadership in the automotive field, as in many others.

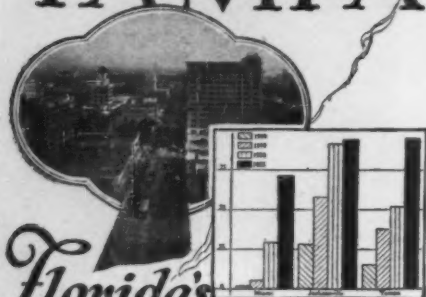
Newsteel Engineers will be glad to co-operate . . . work with you in your own plant to determine the best type of good steel sheets for your particular requirements.

THE NEWTON STEEL COMPANY
YOUNGSTOWN, OHIO

CHICAGO CLEVELAND DETROIT NEW YORK

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TAMPA



Florida's Greatest City

The chart shows vividly the rapid growth of population in the three largest Florida cities. Note particularly the growth of Tampa since 1920.

IMPORTANT to the development of all great cities is the growth of its trade territory. Tampa is a conspicuous example of this fact. It is the Key City to Southern Florida. Population in Southern Florida has increased to a point where a new trading territory has been evolved. It is a territory rich in resources, rich in production, rich in type of consumers it constitutes, and is economically, efficiently and satisfactorily served from Tampa. The Florida-Portland Cement Company, Kreiss Potassium-Phosphate Company and several other representative industries have recently established plants at Tampa because of vital production economies due to its strategic location. Power, Raw Materials, Water, Labor, Transportation facilities and Low Taxes are also contributing factors to Tampa's advantages as a logical place for manufacturing plants, branch factories and distributing bases.

Key City to America's New Trade Territory

A comprehensive survey of Tampa and Southern Florida will be prepared for interested executives upon request. It will be based solely upon specific up-to-date data, presented from the standpoint of your needs. Please make your request for this survey on your business stationery.

Industrial Bureau

TAMPA BOARD OF TRADE

TAMPA

Florida's Greatest City

[Listen in on WDAE—Tampa, Sunday evening between 9 and 10 o'clock and enjoy an entertaining program.]

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NATION'S BUSINESS
Washington, D. C.

Chamber "Do's" and "Don'ts"

V—The Budget

By Colvin B. Brown

Manager, Organization Service, Chamber of Commerce of United States

THIS IS THE FIFTH of a series of articles on chamber of commerce and kindred organization activities. Copies of a pamphlet prepared by T. W. Howard, accounting expert of the Department of Manufacture of the National Chamber, entitled "Financial Control and Accounting for a Chamber of Commerce," may be obtained on application to Organization Service.—THE EDITOR.

BUDGETARY control of a chamber's finances" has a forbidding sound and conjures up a picture of difficult and cumbersome methods. As a matter of fact, it is quite simple, and the records serve as a chart by which an organization steers its course.

Both theory and practice agree on the advantages of budgets. They enable chamber executives to prepare programs of work that will emphasize the many activities in their proper relation one to another and with a reasonable expectation of being able to carry them out. This program, of course, must be flexible enough to meet changing conditions and yet be made up so that a chamber's energies are not wasted on many projects, none of which are completed.

A few jobs well done are invaluable advertisements for a chamber. So interwoven are the program of work and the budget that it may well be said that they constitute the comprehensive operating policy for the year.

A properly devised budget system is an essential companion to the accounting system. Its use authorizes the salaried executive of a chamber to proceed in accordance with its provisions and obviates the need of convening the board of directors every time he wishes to buy a stamp. He knows whether or not an item is in the budget, and, if it is in, he may pay it without delay or red tape. The budget protects the secretary as well as the members who have contributed to the financial support of the chamber.

What Is a Budget?

WHAT is a budget? As applied to a chamber it should include two things: First, a carefully developed and itemized program of activities; and second, a detailed financial prospectus for the time covered by the program of work, usually a year. It should not be considered as an appropriation of funds but rather as a set of standards, which, if exceeded, indicates unwise expenditure and if not exceeded is an evidence of efficient operation. The budget is an authorization to the secretary to incur financial obligations up to the amount of the appropriation, but beyond that point he should confer with the budget committee or the board of directors as to the policy to be pursued.

The budget is not simply the setting aside of funds for the use of various departments and committees. Nothing could be more unfortunate than this idea, for it is easy to drop into the habit of spending all of an appropriation whether the expenditure is sound or not. Furthermore, where absolutely fixed appropriations are made, there is a lack of flexibility which is injurious to the best interests of the chamber. On the other hand, a budget is not a guess, and more than mere curiosity should be applied to the consideration of the actual results of budget appropriations. The basic idea behind the budget is

the intelligent direction of a chamber's activities.

In making up a budget, it is first necessary to have the program of work clearly in mind. Then the budget makers must study the question of anticipated revenues. The secretary should have prepared figures on the membership loss or gain rate, the revenues from membership dues, and revenue from other sources which refers largely to the service or budget fund which I described in my last article. With this information the budget committee can intelligently make up its figures for the ensuing year.

In making up the membership loss or gain rate, one must remember that the number of members in good standing at the beginning of the year is used as a basis. It is not sound to use the figures for the end of the year. This question should be approached neither optimistically nor pessimistically. After obtaining a sound figure on the number of members, the revenue from the dues may be calculated.

What to Do with a Surplus

THE QUESTION of surplus is much mooted. It is true that a chamber is a non-profit-making institution, but it is a principle of sound business that expenses should always be a little less than income, at least until there is a little surplus put away in anticipation of the proverbial rainy day. The amount of the surplus depends entirely upon local conditions, and no general statement can be made, but the principle of having a small surplus is sound.

The program of the work having been determined and the probable amount of revenue available for expenses estimated, the secretary, as the chief administrative officer of the chamber, can go ahead and work out his preliminary budget. In making this up, it is important to have the figures for the last two years at least. After it is made up, the total will probably be more than the budget fund, but by clipping expenses here and there it can be made to conform.

This budget will then be reviewed by the budget committee and, after their work is done, referred to the board of directors.

After this is done, the secretary is provided with authorization to go ahead with his work. Under this system it is unnecessary for the board of directors or an officer of the chamber to authorize or countersign every check, as has often been the case in the past. Promptly at the end of each month the secretary provides the directors with a financial statement from which the board can see if expenditures are within the budget appropriations.

It must be pointed out here that only when some unusual emergency presents itself should the budget be changed. If there is some important activity in which the chamber should participate, it is possible for the board of directors to rearrange appropriations, but only under unusual circumstances.

It has been the unfortunate experience of some chambers that, once a budget is set up, the department heads or committee chairmen assume that they are entitled to spend up to the full amount of the budget appropriation. This is an entirely wrong point of view. It is important to realize that the budget is more than an appropriation. It is a standard and guide.



A Different Tractor



STEEL WHEELS

French & Hecht are the largest manufacturers of Steel Wheels in America, producing wheels for over 2,000 different kinds of machines, including:

*Farm Implements
Industrial & Farm Tractors
Road Making Machinery
Motor Trucks
Busses & Trailers
Baggage Trucks
Wheelbarrows, Carts
and other equipment.*

An industrial tractor equipped with **FRENCH & HECHT** expansion wheels for rubber tires is a different tractor, with a greater earning capacity and longer life.

*Better traction under all conditions is afforded because **FRENCH & HECHT** Wheels are mechanically correct.*

The great strength and rigidity of these wheels meet all sudden shocks and strains with never a sign of stress.

The time and expense of replacing tires is cut to the minimum. The expansion feature does away with the old power press method and a crew of men.

FRENCH & HECHT is the largest organization in America specializing in the design and manufacture of steel wheels. Their vast experience and facilities are at the disposal of manufacturers—Write.

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Wheel Builders Since 1888

DAVENPORT, IOWA

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FRENCH & HECHT

STEEL WHEELS

When writing to FRENCH & HECHT please mention Nation's Business



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Compact and Competent

A highly developed calculating machine of unusual speed, accuracy and ease of operation. The product of Europe's most famous calculating machine experts. Long and widely used in this country by largest banks and industries.

Meets every figuring need. Adds, subtracts, multiplies and divides with all factors visible at end of calculation.

Weights but 9 lbs.

Can be carried on one hand

Mail Coupon Below
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BRUNSVIGA SALES COMPANY

309 S. 15th Street
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Please send information regarding the Midget
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DETROIT

"A Wonderful City"

THE eyes of the World are focused upon Detroit because of its remarkable growth and prosperity. Its own people give daily evidence of their faith in its future by factory expansion, new industries, mammoth buildings and the erection of homes and more homes.

Detroit's natural beauty, its water and rail facilities its industrial opportunities, its educational and home life advantages and its spirit of contentment, and progress have attracted people from everywhere.

Fortunes have been made in Detroit Real Estate—the investor has exceptional opportunity here. Yet this "Wonderful City" is only beginning its career as a great commercial and industrial center.

We have compiled the vital, authoritative facts in a profusely illustrated book which is mailed free upon request.

Wanted—State Managers. Men of character and standing. Big opportunity for men who can qualify.

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ORGANIZATION
Incorporated
Washington Blvd. Bldg.
Detroit, U. S. A.



Chips from the Editor's Work Bench

WORKING back stage, two psychologists have taken soundings in the mental depths of fifty Ziegfeld and Shubert beauties, and now tell the world that the chorus girl is not so dumb, for she scored an average of 128 in the intelligence tests, 67 points above the average of the male population of the United States, as determined by the war-time examination of 1,500,000 men. To put her showing in



better case, these psychologists cite the standings of some other occupational groups—business men, 86; actors, 75; college women, 130; college men, 127.

There's reason enough here for complete revision of the ancient association of beauty with mental inanity. Perhaps amends for the long lease of unfounded credulity could be made by consigning all the glib patter about "beautiful, but dumb" chorus girls to the far limbo where rust all those fraudulent gags about "the tired business man"—not that there is any demonstrable relation between the two phrases, but because both got currency under false pretenses.

ALONG WITH the refreshing report that the nation's output of carbonated beverages has got up to \$236,027,000 a year comes word that a Chicago union distinguishes between a "soda clerk" and a "soda dispenser." The clerks demand a minimum wage of \$35 a week; the dispensers contend for \$45 a six-day "week"—a declared distinction well calculated to rouse new awe for the marvels of specialization.

IF ANY award is made for the most original piece of advertising during 1926, the feat of the Burlington's publicity agent will be able to get up to the judgment seat under its own steam. Stumped with the question of whether to say in a proposed advertisement, "There is produced two-thirds of the oats," or "are produced," he put the query to university professors and to lexicographers. No matter that the authorities divided evenly, and that "there is" won on the toss of a coin, the astuteness of this publicity agent got free notice for his company in a great many newspapers. Pundits may quarrel with the grammar, but the adroitness of the advertising is something beyond mere words.

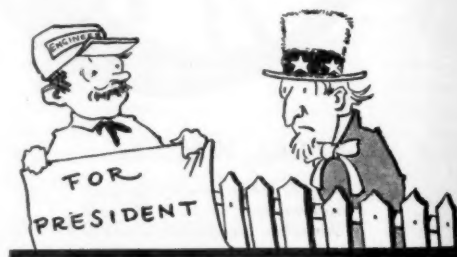
LABELS and tags, among the most visible by-products of politics, are more in demand than ever, argue the figures dug up and sorted by the diligent Department of Commerce in its biennial census of manufactures. For 1925, the latest year for which reports are in hand, the value of

the output of labels and tags was \$22,837,119, and for 1923, \$20,983,604, an increase of 8.8 per cent.

It is plain enough that fashions in political labels change with the fickle public favor for party platforms. The red of yesterday becomes the pink of today, and, perhaps, is bleached to a political white-wash by tomorrow. This capricious inconstancy in the showing of colors has caused no label maker to shut up shop; rather, his factories are multiplied, 103 of them in 1923, 113 of them in 1925.

As for changes in the labels of our industrial philosophy, no one need be a centenarian to remember when the unions were labeled "dangerous radical organizations." Nowadays some of them are labeled "bulwarks of conservatism." When Stalin, Soviet chieftain, declared that "the important thing is for Russia to get control of reactionary labor unions," he had an eye on the American Federation of Labor. With the characteristic operations of capitalistic enterprises so widely exemplified by "labor" in banks and in insurance, the "capital" and "labor" tags in use only a decade ago are no longer dependable for group distinction. To expect that all labels will look alike to all observers is unreasonable. More plausible it would be to argue that the apparent variability in label colors depends on who calls whom, what.

BY RESOLUTION, the American Association of Engineers, through its board of directors, has approved "the elevation of an engineer to the presidency of the United States." To make a case the engineers offer in evidence their accomplishments in behalf of a higher standard of living in



America, and the beneficial coordination of industry and government through the application of scientific principles. By placing the chief executive authority in the hands of an engineer, the Association reasons, the extension of industrial coordination required for continuance of prosperity will be best attained.

No great play of words is needed to give understanding of the engineer's important place in our civilization. He designs the useful harness for power, conquers the earth and the waters under the earth, prospers the works of physicist and chemist, and the affairs of corporations and of governments wait upon his counsel. He is the substance of our national genius for organization.

With so much of dependence on this prodigious servant of mankind, society should be interested in the constituents of



"CATERPILLARS" *can do it—!*

ALERT executives are asking themselves some such question as this—"How can we use the power and traction of "Caterpillar" Tractors to save or make money?"

In strip mining of coal, just for example, the "Caterpillar" moves the dirt, shifts the tracks, spots coal cars, hauls machinery, etc. There's a place for it in your work—ask for our newbook "*Better, Quicker, Cheaper.*"

"Caterpillar" Tractor Prices

2-Ton . . \$1850
Peoria, Ill.

Thirty . . \$3000
Peoria or San Leandro

Sixty . . . \$5000
Peoria or San Leandro

✓ There's a "Caterpillar" Dealer near you ✓

CATERPILLAR TRACTOR CO.

Executive Offices: San Leandro, California, U. S. A.

Factories: Peoria, Illinois - San Leandro, California

New York Office: 50 Church Street

Successor to

BEST C. L. Best
Tractor Co.

The Holt Manufacturing Company **HOLT**

(6NB)

CATERPILLAR

REG. U.S. PAT. OFF.

When writing to CATERPILLAR TRACTOR CO. please mention Nation's Business



Another MILLION DOLLAR Dayton Business WANTS DISTRIBUTORS

**An Amazing Opportunity
That May Pay You
\$6000 to \$12000 A Year**

DAYTON, known as the birthplace and centre of the aviation industry is also the home of the Super Salesman Idea and such well known sales organizations as National Cash Register, Frigidaire, etc. Now, a rapidly growing Dayton manufacturer, similarly organized, whose sales already run several million dollars annually, offers another golden opportunity in a national sales and distributing organization. This time the opportunity is in the field of Fire Protection . . . a field of rapid growth, minimum competition, and tremendous sales possibilities.

A Glimpse of the Market

The market is everywhere. Everyone who owns anything that will burn is a possible user of fire extinguishers. 27,000,000 homes, alone, need one or more extinguishers. There are 20,000,000 autos and trucks only 5% protected against fire. Established corporations, factories, stores, offices, hotels, schools, restaurants, public institutions, etc., are continually buying equipment, replacing obsolete equipment, and purchasing additional extinguishers, recharges and refills. One city block is capable of sales running into thousands of dollars! New buildings often buy without question. There never can be a saturation point for fire extinguishers—America's new buildings total six billion dollars a year!

In this great field, Fyr-Fyter Company occupies a position of unquestioned leadership. Ford, Firestone, General Motors, Union Pacific System, hundreds of the greatest hotels and institutions are among our customers. The U. S. Government, alone, purchased 250,000 Fyr-Fyters.

Complete Line—Important Patents

We have a complete line of extinguishers for every class of fire hazard at prices ranging from \$6.95 to \$300 per unit.

National Organization

The Fyr-Fyter Company is ten years old. Our products are nationally advertised, approved by the Underwriter Laboratories, and hold important and exclusive patents. Every year our sales have shown a remarkable increase. Our organization, numbering thousands of salesmen, representatives, agents and distributors, is one of the largest and highest-paid selling organizations in America.

Rapid growth makes it necessary to add, at once, to our present force of distributors. The country has been zoned, and choice, exclusive territories are open in every State. Earnings, based on records of present distributors should be \$6,000 to \$12,000 a year and up without limit.

Type of Men Wanted

We want men of good standing and some financial responsibility, to whom we can turn over the handling and direction of Fyr-Fyter sales. Such men must understand the hiring, training and direction of salesmen. They must be able to interview all classes of prospects. They will be given an opportunity to operate a National Inspection and Recharge Service in their territories.

The capital required is small, as the Company will ship all large orders direct. Naturally, every distributor we appoint will receive hearty cooperation and will be aided in every way by leads and a complete program of sales promotion.

Here, then, is a rare and unusual opportunity to join an established, growing, permanent business. No matter where you live, write for full details. Kindly state your qualifications in your first letter. Address:

**R. C. IDDINGS, President, FYR-FYTER CO.
1461 Fyr-Fyter Bldg., Dayton, Ohio**

his training. An informative proposal of the requirements is presented in a report of the Society for the Promotion of Engineering Education. Of especial consequence is the recommendation for "a band of humanistic subjects extending throughout the curriculum," a prescription that probably would include history, political science, and sociology in addition to the essential engineering basis. Well, if the engineers really have their eyes on the presidency, their candidate certainly would be no less "available" for a working knowledge of the humanities.

WHILE TRAVELERS' tales still hold a measure of marvel at the openness of the great open spaces, the national itch for organization is in a way of incorporating select bits of western scenery. From Bozeman, in Montana, comes word that the "dude ranchers" have put their heads together and set up the Dude Ranchers Association of the Northwest. Well, this business of making life more interesting for eastern tenderfeet is now big enough to justify its wide-spreading title. Begun in 1886 as a sporting proposition by several graduates of eastern colleges, the original boarding-house proportions of "dude ranching" have been expanded to million dollar magnitude in Montana alone.

No offense was intended, and none seems to have been taken at the picturesque designation of the paying guests. With the vacationist thus distinguished from the native, the "dude" has come to a refined distinction in his own ranks—the visitor arriving by train is still a "dude," but the sojourner who travels by motor is a "sage brusher." Possibly this rift signifies two more organizations, "Dudes, Ltd.," say, and "Sage Brushers, Inc." And what of the owners and the guides, the "boss wranglers" and the "dude wranglers?" Eventually they will feel the clubby urge toward formal and exclusive goings on. They, too, will find it difficult not to obey the national impulse.

EVEN the signs in New Rochelle tell of the delights of residence in that "Queen City of the Sound." There, in plain view of the traveler and the stranger, is the lettered assurance of Clare Briggs, a first citizen and regular commuter, that New Rochelle is "the place to come when a feller needs a friend." On the published word of members of the chamber of commerce, these signs "tell every passerby seeking for a place where life may be lived, where snobbery and pretense are rarest, and where every interest and enjoyment, from poker to Plato, is most plentiful, that New Rochelle is the place."

These special claims to fame are made by the chamber in a booklet "done into printed picture and word by some of its many talented members." Each one of the contributing artists is credited with enough units of artistic energy to "make the Four Corners of Montana a national art center," and "some of the names are known in Timbuctoo."

Thirty-five years ago, when there was no chamber of commerce in New Rochelle, Remington, Kemble, and Zogbaum gave the village three good reasons for pride in its

artists. In this later day the chamber needed to look no farther than its own roster for men able to paint the town. Bright and gay in the booklet are pages that took their colors first from the palettes of Coles Phillips, Orson Lowell, Joseph C. Leyendecker, Ernest Albert, Lucius W. Hitchcock, Walter Beach Humphrey, Frank X. Leyendecker, Fred Dana Marsh, Edward Penfield, Norman Rockwell, L. A. Shafer, and George T. Tobin. For the record of its physical graces this charming old town stood in revealing and varied pose before the inspired camera of Kenneth Clark. For proper and engaging introduction to the rest of America, New Rochelle has wisely relied on the prepossessing pen of Augustus Thomas.

Citizens all and chamber members all, these men, with their fellow citizens, have joyfully contrived a new sort of civic publicity. To put their affectionate regard for their home town on paper, they drew personal checks to meet the printing and publishing costs. Not one line of advertising went into the booklet, and no profit was derived by the chamber, the contributors, or any outside interest. It may be that the paintings reproduced in the booklet "rather obviously assure its success," but more than a labor of loving artists, it is the refreshing and convincing evidence that America has communities rich in the intangibles men seek.

WITH the Food Standards Committee inviting criticisms of the proposed standard for "cultured buttermilk," it seems fair to ask whether this pedigreed product is the direct descendant of campus-bred cows.

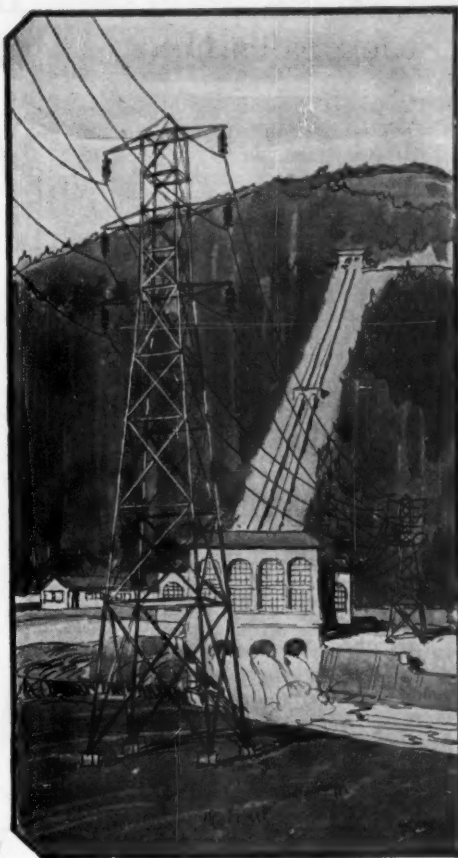
WITH considerable reason, a visitor to these shores might conclude that Americans put themselves more to the making of laws than to the loving of liberty. Our capacity for making laws is infinite and, perhaps, in that knowledge the visitor would be charitable enough to credit us with the grace of temperance. Though Congress has been held up to public view as a horrible example of a body drunk with power, the state legislatures have also crowded their calendars with fairy-like formulas for "establishing justice, insuring domestic tranquillity, and promoting the general welfare."

To believe that legislators would fail the expectancies of powerful constituents would be thoroughly vain—where deeds are promised only acts will suffice. In this off year, ten of the thirteen legislatures in session got 4,100 new laws through their hoppers, outdoing the output in 1924, the previous off year, by 722. For 1925, when the mills of forty legislatures were grinding out statutes, 11,000 new laws got on the books. Of the bills proposed in 1924, 23 per cent became laws, and on the available returns 30 per cent of the measures offered this year got by.

To define the motive forces in this kaleidoscope of laws would require a definition of the ever-changing aspects of American life—the swirling transformations in ways of living and doing that ruthlessly demand off with the old and on with the new.

Oakland Offers:

Central location in West.
Fast rail and ship service.
Excellent labor. Good
working climate. Low
power rates. Abundant
raw materials. Access to
the Orient.

**Electric Power Rates
in Oakland**

2 to 9 H. P. CONNECTED LOAD	
1st 50 kwh per hp.....	4.00
Next 50 kwh per hp.....	2.10
Next 150 kwh per hp.....	1.30
Over 250 kwh per hp.....	.90
10 to 24 H. P. CONNECTED LOAD	
1st 50 kwh per hp.....	3.60
Next 50 kwh per hp.....	2.00
Next 150 kwh per hp.....	1.20
Over 250 kwh per hp.....	.90
25 to 49 H. P. CONNECTED LOAD	
1st 50 kwh per hp.....	3.10
Next 50 kwh per hp.....	1.90
Next 150 kwh per hp.....	1.10
Over 250 kwh per hp.....	.80
50 to 99 H. P. CONNECTED LOAD	
1st 50 kwh per hp.....	2.60
Next 50 kwh per hp.....	1.70
Next 150 kwh per hp.....	1.10
Over 250 kwh per hp.....	.750
100 to 249 H. P. CONNECTED LOAD	
1st 50 kwh per hp.....	2.30
Next 50 kwh per hp.....	1.50
Next 150 kwh per hp.....	1.00
Over 250 kwh per hp.....	.70
250 to 499 H. P. CONNECTED LOAD	
1st 50 kwh per hp.....	2.10
Next 50 kwh per hp.....	1.30
Next 150 kwh per hp.....	.90
Over 250 kwh per hp.....	.650
500 to 999 H. P. CONNECTED LOAD	
1st 50 kwh per hp.....	2.00
Next 50 kwh per hp.....	1.20
Next 150 kwh per hp.....	.90
Over 250 kwh per hp.....	.60
1000 to 2499 H. P. CONNECTED LOAD	
1st 50 kwh per hp.....	1.90
Next 50 kwh per hp.....	1.10
Next 150 kwh per hp.....	.90
Over 250 kwh per hp.....	.60
2500 H. P. & OVER CONNECTED LOAD	
1st 50 kwh per hp.....	1.80
Next 50 kwh per hp.....	1.00
Next 150 kwh per hp.....	.90
Over 250 kwh per hp.....	.60

Compare your Power costs with Oakland's

TWO GREAT hydro-electric utilities supply constant electric power to Oakland at the rate scale listed above. Ⓒ Fuel oil sells at approximately \$1.09½ per barrel f. o. b. Oakland. A supply is constantly available from four great oil refineries here.

High grade bituminous coal for steam purposes is quoted at \$7.25 to \$8.25 per ton f. o. b. Oakland. An unlimited supply is available.

These figures tell one reason why manufacturing costs are low in Oakland . . . one of the reasons why great national industries choose Oakland as the site for western factories.

Send for a copy of "Industrial Oakland," and learn why this community is the fastest growing industrial district in the West.

A technical industrial survey will be specially prepared for your particular industry upon request from a business executive.



**Ask
for it!**



[This advertisement of Oakland and Alameda County
—the West's fastest growing industrial district—
is produced co-operatively by the Oakland Chamber of
Commerce, the Alameda County Board of Supervisors]

**Market and Industrial Department,
Oakland Chamber of Commerce**

OAKLAND [AND ALAMEDA] CALIFORNIA

"Industrial Capital of the West"



Washington's
Palatial Hotel

The Mayflower

Home of Leaders in
Statecraft, Diplomacy,
Finance and Industry

Business and professional men will
find here the acme of luxury and
comfort, at rates no higher than at
less finely appointed hotels.

Four Short Blocks
from
U. S. Chamber of Commerce
on
Connecticut Avenue at L Street



Bureau of Canadian Information

The Canadian Pacific Railway through its Bureau of Canadian Information, will furnish you with the latest reliable information on every phase of industrial and agricultural development in Canada. In our Reference Library at Montreal is complete data on natural resources, climate, labor, transportation, business openings, etc. Additional data is constantly being added.

Development Branch

If you are interested in the mining wealth and industry of Canada or in the development or supply of industrial raw materials available from resources along the Canadian Pacific Railway, you are invited to consult this Branch. An expert staff is maintained to investigate information relative to these resources and to examine deposits in the field. Practical information is available as to special opportunities for development, use of by-products and markets, industrial crops, prospecting and mining.

"Ask the Canadian Pacific about Canada" is not a mere advertising slogan. It is an intimation of service—without charge or obligation—that the information is available and will be promptly forthcoming to those who desire it.

CANADIAN PACIFIC RAILWAY CO.
DEPARTMENT COLONIZATION AND DEVELOPMENT
J. S. DENNIS
Chief Commissioner
Windsor Station
Montreal, Can.

Our Savings Drop; Stock Sales Up

AMERICA pushed a smaller proportion of her income into bank windows marked "Savings" last year than she did in the year before, and the percentage of life insurance written to earnings also dropped.

Why is this so?

In seeking the reason for these two recessions of business, usually considered as dependable indicators as to general conditions, a first guess is the growth of instalment buying.

This view is refuted by Reuben A. Lewis, writing in the *Journal* of the American Bankers' Association, who says that we save less because habits of investments are changing. The bankers' cry for thrift and savings through banks is losing out to the plea of the broker who offers investments at a higher rate of return.

As a nation, says Mr. Lewis, we are putting our dollars to work where the wages are a little higher.

Out of a national income ranging around 75 billion dollars, it is estimated that about 12 billion dollars were saved by the American individuals and the American business enterprises during the past fiscal year. More than half of this sum was invested in new capital issues. Only one billion and a half was accounted for by savings deposited in banks, the remainder going chiefly to pay for life insurance, instalments on real estate and shares in building and loan associations.

A factor in changing investment habits is employe stock ownership. Not long ago the Department of Economics at Princeton sponsored an estimate that wage-earners in the United States owned \$700,000,000 worth of stock in the industries employing them.

20,000,000 Hold Securities

MR. LEWIS brings out the fact that 15,000,000 Americans now own stock, and 5,000,000 clip coupons from bonds.

On instalment selling, he writes:

"The spectacular features of instalment selling, and the fact that so many evils are attributed to this popular practice, doubtless will cause those searching for a plausible and timely explanation for the declining gains in savings and life insurance to attribute the shrinkage to this 'industry of debt.'"

"However, the real question to be answered is the extent to which the lure of easy acquisition has caused the American people to spend what they would otherwise have saved. According to an extensive and careful survey of instalment selling by Milan V. Ayres, an economist of Chicago, the annual sales of goods, with the exception of real estate, stocks and bonds on the deferred payment plan, amounted to \$6,179,000,000 during the year of 1925. While it has been quite generally held that the more widespread use of instalment buying has greatly increased the volume of sales, he reported that the total increase in instalment buying between 1923 and 1925 was only 8 per cent.

"While there is no gainsaying the fact that the sales of automobiles, radios and other articles have been promoted by the fact that they could be bought on terms, the statistics produced by Mr. Ayres would not indicate that the existence of this facility has caused the American people to make such an enlarged draft on the funds they habitually have set aside for saving, as would account single-handed for the \$400,000,000 slump over 1925 in savings deposits.

Business Vision points to Lakeland

Lakeland is destined to be one of the four truly big cities of Florida. Its central location—its rich agricultural background (Polk County, of which Lakeland is the leading city, is one of the richest per capita counties in the United States)—its fine transportation facilities—its sane stability and its excellent year 'round living conditions—all these make Lakeland the choice of big business men who know that present and future opportunities here are very bright.

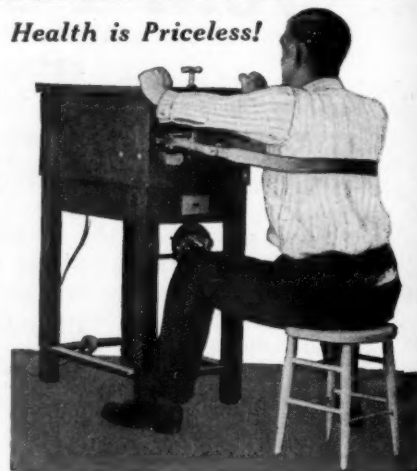
Eighty thriving industries are now flourishing in Lakeland as a nucleus for far greater industrial activity in this section.

Let us send you a copy of a recently completed industrial survey of Lakeland. Address 209 Orange Street, care

Why not give yourself and family
a healthy and happy vacation at
Lakeland?

Lakeland
CHAMBER of
COMMERCE
LAKELAND, FLORIDA

Health is Priceless!



Keep Your HEALTH

this easy, natural way!

Many busy men and women have for years kept their vigor and energy to do strenuous work, or relieved some severe ailment, by a few minutes' use each day of the

VIBRATO-MASSEUR
"Vibrating Massage"

With this machine you can enjoy a delightful massage, mild or vigorous, for any part of the body. It relieves nerve strain, induces sound sleep, strengthens muscles, and stimulates action of all vital organs. Does wonders for constipation, rheumatism, neuritis, etc.

"Ten minutes a day is a great help in keeping in the pink of condition. It has helped me lose weight," writes one user. "Used it for a lame left shoulder and lame hip very successfully," says another. Write us today for booklet giving details and reports from many users of what it has done for them.

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Sales representatives wanted. Write us

Government Aids to Business

Reports of government tests, investigations and researches included in this department are available (for purchase or free distribution) only when a definite statement to that effect is made. When publications are obtainable the title or serial number, the source, and the purchase price are included in the item. We will be glad to furnish them to our readers at the price the Government charges.

ON DECEMBER 31, 1926, the Department of Commerce's regulations governing civilian aviation became effective. Aircraft manufacturers, aeronautical engineers, pilots, publishers and editors of aeronautical magazines, owners of aircraft and others connected with the aeronautical industry co-operated with the department in its efforts to draw up the most effective and useful rules properly to regulate air traffic in a manner which will assure safety and be most helpful to the development of the industry.

Rules for Air Navigation Published

The regulations were analyzed, section by section, in a series of seven conferences between different elements of the industry and William F. MacCracken, Jr., the department's Assistant Secretary for Aeronautics. Following these conferences the revised regulations were submitted to the industry for further revision and final approval.

Copies of the regulations are available to those interested.

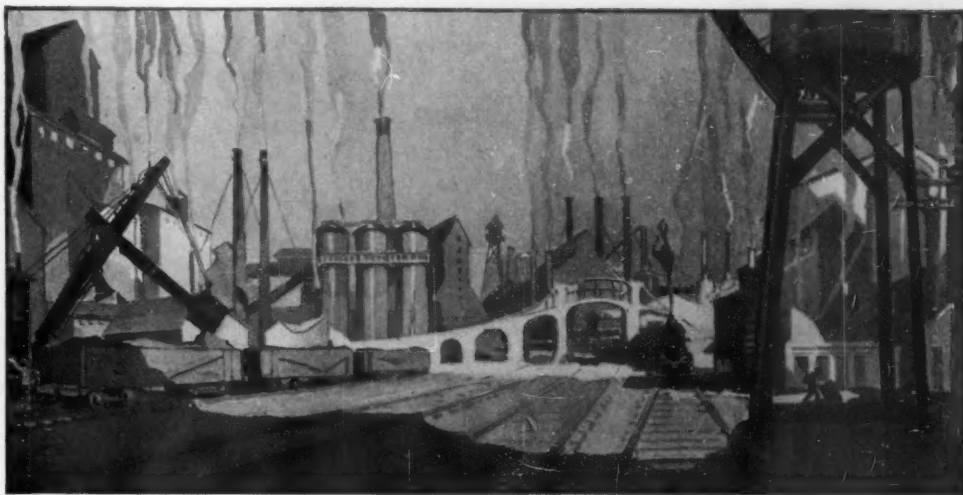
"IN BUILDING and construction, as in nearly every branch of other lumber-consuming industries, there is a definite use for lumber of short lengths. At present short lengths are seldom purchased, as such, but are cut from long lengths at the point of consumption, leaving a large quantity of short-length lumber of good quality unutilized at the mills. This constitutes a serious waste of valuable raw material, the prevention of which is of equal interest to manufacturers, distributors, and consumers," according to Herbert Hoover, who writes this in the Foreword to "The Marketing of Short-Length Lumber." This publication is the first report of the construction subcommittee of the National Committee of Wood Utilization.

Marketing Short-Length Lumber

The name of the committee expresses briefly its purpose, and in this report by the subcommittee on construction, specific opportunities for utilizing short lengths are made. The subcommittee carried out a detailed survey of construction requirements for rural, suburban, and town small houses and miscellaneous farm buildings, its deductions being based on plans for such structures involving nearly a million feet of lumber.

For convenience and in order to place the results on a comparable basis, the dwellings were classified according to type (the "box" house, common to all parts of the country and its simple modifications the "L" and "T" also generally popular) and height (one, one and a half, and two stories). The data given in the tables in the report, though they specifically relate to the definite types, have almost universal application, for the classification employed does not standardize the appearance of the finished building.

The plans analyzed for farm buildings included barns, granaries, corncribs, hog houses, poultry houses, and miscellaneous structures such as stock feeders. Because of the dissimilarity of their shape, height, and of their method of construction, it was illogical to



BARRETT JACKS know a lot about power

Barrett Jacks are known to every trade and industry. The makers, The Duff Mfg. Co., Pittsburgh, know how to make the most of power.



Speaking of Morse Chains, they say, "As the world's largest manufacturers of lifting jacks, we must maintain a steady flow of production. An important step in guarding against production interruptions has been the change from belt to chain drives.

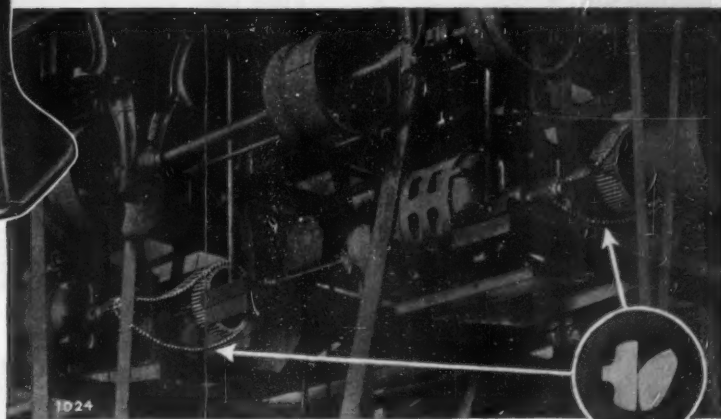
"Nine Morse Silent Chains, ranging from 5 to 30 H.P., drive lineshafts at 300 R.P.M. from 900 R.P.M. motors. The one exception is a 4 to 1 reduction from a 1200 R.P.M. motor.

"Eliminating belt breakage and maintenance prevents costly production delays. We have never had a breakage with Morse chains, and their reduced maintenance pays for them many times over during their long life.

"In no instance would we replace chain drives with belts."

MORSE CHAIN CO., ITHACA, N. Y., U. S. A.
Branches in principal cities

Morse Silent Chain Drives from motors to line shafts, Duff Mfg. Co., Pittsburgh.



The Invisible Wrench that's thrown into your profits

YOUR factory's present location may be a great handicap—you cannot be sure till you have proof of how another location would cut your manufacturing costs and better your marketing.

Wilmington offers you the services of a Consultant—to represent you confidentially. If you will write and tell us your requirements—materials, labor, services, etc.—this Consultant will make a careful study of our city's qualifications from your standpoint, and give you a reliable report free of charge.

You may find as good reasons for moving to Wilmington as those which are bringing other manufacturers. Seventeen new factories came here last year from other localities.

Competition cannot throw a wrench into your profits if you avail yourself of the best Combination of conditions for your particular business. Land values and taxes affect fixed charges. The quality and cost of facilities furnished by the community; price and merit of labor; freight for you and your customers—these considerations and probably all others that might interest you, are included in Wilmington's COMBINATION.

Wilmington may or may not be best for you—isn't it worth while to look into it, with the Consultant Service we offer for your convenience?

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Over-night deliveries to 30 million people. Short haul from coal mines and refineries. Labor of all grades. Numerous industries. Three fine railroads. New Marine Terminal. Freedom from shipping jams. Convenience to foreign and coastwise markets and the fast growing Southeast.

WILMINGTON

DELAWARE

"The Port of Personal Service"

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attempt a grouping by class, type, or form.

Each of the plans was intensively studied to determine the number of pieces of each length needed. First, the bill of material as originally prepared by the architect was used. Then a new bill was drawn up, with special consideration given the maximum use of short lengths, this being determined directly from the plans. The quantities of each short length specified or permissible and the total quantities of long lengths either specified or required were then computed.

This publication is of particular interest to owners, architects, quantity surveyors, building contractors, real-estate subdividers, building and loan associations, lumber dealers, and farmers. The charge for this publication is 10 cents.

IN COOPERATION with the National Association of Glue Manufacturers, the Bureau of Standards undertook the study of the use of

Study Use of Glue in Coated Papers Made

alternative adhesives among manufacturers of coated papers. The chief reasons advanced for not using glue have been price considerations, its lack of waterproofness and reputed variations in quality. There has also been some question as to the printing quality of glue-bound coated paper.

These factors have been studied in laboratory tests and by semi-commercial runs in the experimental paper mill at the Bureau. Commercial scale runs were made in a paper-coating plant. Printing tests of the papers coated were made frequently.

The results indicate that the proportion of glue required in coating mixtures varies with the grade of glue. When the better grade glues are used the proportion needed may be less than that of casein, the material now in general use. Little change in present coating equipment and operating technique is required by the use of glue, since the various grades available offer a choice within which local conditions may be met. Uniformity in glue for coating purposes may be attained by drawing specifications to meet local and product requirements.

Ordinary glue-bound coated paper offers no new difficulties in printing except in those lithographic and possibly off-set processes where a high degree of water resistance is required. This work is fully described in Technologic Paper 323 of the Bureau of Standards, copies of which may be obtained from the Superintendent of Documents, Government Printing Office, at 15 cents.

IRREGULAR PIECES of slate of a class usually discarded are finding increasing use for slate floors, walks, and rustic pavements, according

Utilization of Waste Slate Increasing

to the Bureau of Mines, which has recently issued Serial 2766, a report on recent progress in the technology of slate. Fragments of random sizes and shapes are also employed in making a rough cleft masonry wainscoting that is attracting considerable attention. A wider use of slate in this field is forecast when its architectural possibilities are more generally recognized.

RAYON, which has gained such a prominent place in the textile field, is produced by one of four processes. It is of little importance to the ultimate consumer

A Method to Distinguish the Kind of Rayon

to be able to distinguish the product, but it is of the utmost importance to the textile manufacturer. The properties, especially in three of these types, are essentially the same, but the little difference may cause the manufacturer much trouble in handling, dyeing, etc.

Conclusive tests for the acetate and nitro-

cellulose types are fairly well established and are proving entirely satisfactory. The acetate type is soluble in acetic acid and in acetone; this is not true of regenerated rayon—nitrocellulose, viscose, and cuprammonium. The nitrocellulose type may be identified by the distinctive dark-blue color to which it changes, when treated with a sulphuric-acid solution of diphenylamine.

A simple and satisfactory test that will differentiate between viscose and cuprammonium types has not, as yet, been generally accepted or approved by the rayon industry. A positive test to differentiate between viscose and cuprammonium requiring a minimum of technique and of time has been developed. It is described in Bureau of Standards' Technical News Bulletin No. 113.

THIS PUBLICATION will help all organizations seeking more information on what others are doing in the field of marketing.

It contains the names and addresses of 297 Publications and Agencies engaged in market study. These are classified under such

titles as federal bureaus, state bureaus, advertising agencies, chambers of commerce, foundations, magazines, trade associations, individual businesses, etc. Besides this classified list, there is a description of the activities of each of these agencies as it relates to marketing. Another section deals with the publications in this field.

The charge for copies of Market Research Agencies, Domestic Commerce Series No. 6, is 15 cents from the Superintendent of Documents, Government Printing Office.

A CHART CONTAINING detailed instructions regarding the work of surface organization and procedure recommended for rescue work-

Chart Helps Systematize Mine Rescues has recently been issued by the Bureau of Mines, Department of Commerce. The chart contains definite information as to the duties of the mine superintendent, guards, mine clerk, outside foreman, supply clerk, electrician, master mechanic, machinist, check men, mine foreman or captain, chief engineer, etc. A list of recommended equipment for mine rescue stations and a directory of Bureau of Mines rescue cars and stations also appear on the chart, copies of which may be obtained from the Bureau of Mines, Department of Commerce, Washington, D. C.

TESTS OF THE fusibility of coal ash and the relation of such tests to the clinkering characteristics of the coal are being conducted at the Pittsburgh Experiment Station of the Bureau of Mines of the Department of Commerce. While laboratory

Coal-ash Fusibility and Clinkers

methods for determining fusibility of ash have been carefully investigated by the Bureau and standardized, no comprehensive study has hitherto been made as to how accurately such tests predict clinker trouble in burning coal. Seven different coals, having a wide range of ash fusibility, were tested by the Bureau's standard method and two other well-known methods. The coals were studied as to distribution and composition of the ash-forming constituents, the sulphur content, and fusibility of ash. Firing tests were made on the same coals in a special hand-fired furnace developed by the Bureau's engineers. The results of the fusibility tests were generally found to be indicative of the clinkering trouble that was experienced in burning the coals. The work is being continued on other coals.



Non-Skid Hi-Type Reduces Truck Tire Costs

THE scientific design and sturdy construction of Firestone Non-Skid Hi-Type Tire—with high profile, large rubber volume, long wearing compound and efficient non-skid tread—reduces Truck Tire costs on long continuous hauls under heavy load.

By putting your trucks on Non-Skid Hi-Type Tires you can keep cold weather schedules. Your nearest Firestone Dealer will give you quick, efficient service.

MOST MILES PER DOLLAR

Firestone

AMERICANS SHOULD PRODUCE THEIR OWN RUBBER *Harvey Firestone*

Scientific Facts About Diet

A CONDENSED book on diet entitled "Eating for Health and Efficiency" has been published for free distribution by the Health Extension Bureau of Battle Creek, Mich. Contains set of health rules, many of which may be easily followed right at home or while traveling. You will find in this book a wealth of information about food elements and their relation to physical welfare.

This book is for those who wish to keep physically fit and maintain normal weight. Not intended as a guide for chronic invalids as all such cases require the care of a competent physician. Name and address on card will bring it without cost or obligation.

HEALTH EXTENSION BUREAU
SUITE T-438 GOOD HEALTH BLDG.
BATTLE CREEK, MICHIGAN

Inventions

How to protect your interest in machines, processes, trade-marks, in fact industrial property of every sort. How to eliminate expensive investigations, prevent competitors from stealing designs, prove invention contentions, and many other facts important to every manufacturer or inventor, are disclosed in

"HOW TO KEEP INVENTION RECORDS"
By H. A. Toulmin, Jr.

of the firm of Toulmin and Toulmin, attorneys, with offices in Dayton and Washington. Mr. Toulmin is recognized as one of the leading authorities who write today on patent subjects. His book stands alone as a reference work. \$2.00 at leading booksellers or from

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A convenient German Silver device that slips on the second finger, allowing free use of hand, and operates neatly and quickly with a natural stroke of the hand by simply passing over the paper surface.

Makes a neat crease and prevents finger marks.

Actual size 2x1 1/4x1/4 inches. Ring fits anyone. Needed on the desk in every office, home and mailing room. Price, \$1.00 each, \$10.00 a dozen, \$110.00 a gross.

LITOFOLD COMPANY, 1315-B Widener Building, Philadelphia, U. S. A.

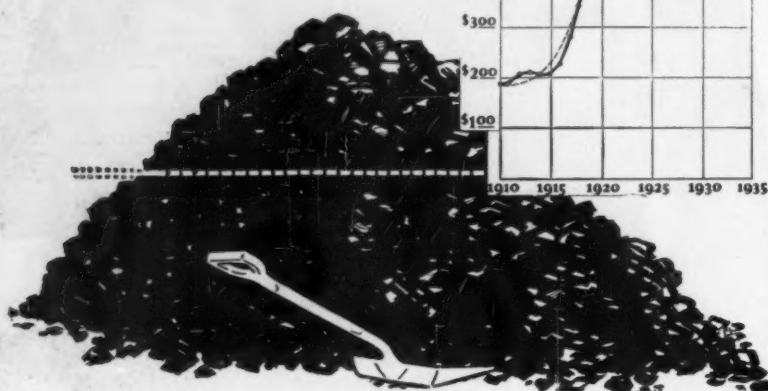


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Trend of Anthracite Coal Prices at the Mine

Chart showing average price of anthracite coal per ton at the mine, from 1910 to 1926. Retail prices follow this basic trend.

Look Ahead. Fuel costs are rising fast. When you build or buy a house, you contract to heat it for years to come. What will your coal, oil or gas bill be in 1936?



Amazing Lumber

[not cut from trees]

SAVES 1/3 FUEL

Homes built with Celotex are not only more economical to heat but more comfortable . . . warmer in winter, cooler in summer. Already used in more than 90,000.

CAREFUL tests by heating engineers show that from 25% to 35% of furnace heat is needlessly wasted through solid walls and roofs.

That is because wood lumber, masonry and other usual wall and roof materials, alone, offer too little resistance to the passage of heat and cold.

But this great waste can now be stopped. An amazing heat-stopping lumber is available for every home, at little or no extra building cost. In addition to its saving in heating costs, it brings comfort and health protection that can never be measured in dollars and cents.

This amazing lumber is Celotex, not cut from trees, but manufactured in broad strong boards from the tough fibres of cane. It is stronger in walls than wood and many times better as insulation. It is enduring

. . . scientifically sterilized and waterproofed.

Leading architects and other building authorities consider it one of the most important contributions ever made to American building practice.

Already more than 90,000 home owners have built with this modern lumber.

Economists welcome Celotex as an important factor in the conservation of our fuel resources.

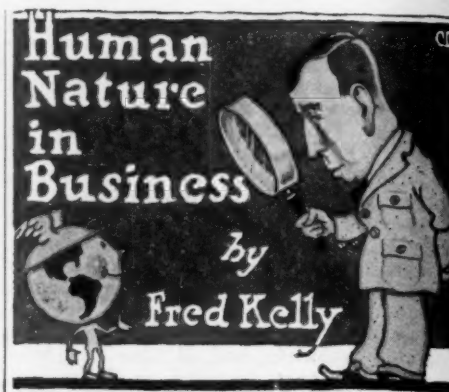
Thus Celotex takes its place as one of our basic industries. Its growth has been tremendous . . . from a production of 12 million square feet in 1922 to an output of over 300 million feet this year.

Complete information about Celotex may be secured by addressing The Celotex Company, 645 N. Michigan Ave., Chicago, Illinois.

CELOTEX

INSULATING LUMBER

When writing to THE CELOTEX COMPANY please mention Nation's Business



FROM AN old-time door-to-door canvasser for various household articles, I learn that new styles in dogs have raised the Old Harry with his line of business.

"In the old days," says this man, "we had nothing to fear from a fuzzy little fat white poodle or a pop-eyed Boston bull, but these cold-eyed police dogs and husky Airedales make a fellow hesitate to enter strange premises. For that reason, I have quit trying to sell any article that isn't itself a fairly good weapon. Last year I sold a new kind of a long-handled carpet sweeper, and now I'm introducing a wonderful window ventilator—made of heavy iron, baked enamel, guaranteed to last a lifetime. I figure that with any kind of swordsmanship at all when thus armed, I can ward off a dog and perhaps save one leg, if not both. It's an honest to goodness



fact that many canvassers have quit selling small articles in favor of a line in which the sample is a weapon.

"**N**EXT to facing modern dogs," this man went on, "the most serious problem we now have is to catch enough housewives at home to give us a chance to work steadily through a neighborhood. If we find one woman at home and stay to tell her of a new device she should have, by the time we reach the house next door, the wife there has finished her simple household duties and is gone for the day. Maybe she has an office job. At any rate she doesn't stay at home.

"**A**NOTHER difficulty is that a wife, even in these days of supposed feminine independence, has surprisingly little control of the family pocket-book. All she has is the modest allowance that her husband doles out to her for buying whatever is needed for the home and children. Men who like the latest labor-saving machines in their offices are slow to become enthusiastic over labor-saving devices for the use of their wives."

"**M**INE may not be the most dignified job on earth," this same canvasser said to me, "but many a haughty dame

Where Industry is Dodge Serves

TYPICAL of the service which Industry has learned to expect from Dodge is the incident of a certain great fire and two Dodge engineers who, before the fire had been fully extinguished, were on the ground obtaining requirements for rebuilding the giant enterprise.

Man power. An extensive plant. Resources. Dodge has facilities which spell the difference between providing merely good equipment and providing equipment best fitted to the needs of the user.

An organization able to supply not only one part but all major parts of Industry's production equipment. Engineers to keep Dodge products a step ahead of Industry's demands. A huge warehouse in Mishawaka, another at Oneida, New York, a Distributing Warehouse in Chicago, and dealers everywhere. Dodge alone offers you this which explains the added value of the name Dodge.

* Power Transmitting Special Machinery
Material Handling Dodge-Timken Bearing Applications

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THE WORLD'S MARKETPLACE FOR INDUSTRIAL EQUIPMENT

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Insure your parcel post



THERE is no need to take a chance of suffering a loss on parcel post packages damaged, stolen or destroyed in transit. Simply supply yourself with a North America Coupon Book, as issued in convenient denominations, and, at the cost of a few cents per package, you are assured of prompt and satisfactory adjustment in the event of mishap.

the North America way

"The Oldest American
Fire and Marine
Insurance Company"
Founded 1792

Insurance Company of North America
Sixteenth Street at the Parkway
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City.....State.....

Wants information on Parcel Post Insurance

Why they can't stop FLORIDA!

☞ The flood of humanity flowing Floridaward is as irresistible as the flow of lava. Wild speculation could not stop the inevitable, vibrant development of this "Last American Frontier." "Opportunity" has made Florida his home—he invites you to enter and prosper with him. Just why he has gone to Florida; why thousands of others have gone and why still greater thousands are sending their money to work for them is explained in a graphic, gripping story of an irresistible force.

☞ You may read this story by filling in the attached coupon and mailing it. There is no charge or obligation.

THE FILER-CLEVELAND CO.

129 Northeast First Street, Miami, Florida

Please send me, without charge, the booklet:
"The Great American Movement"

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The logical location for Southern Industries. Four radiating trunk line railroads, eight steamship lines in world commerce, economical electric power, abundant labor, mild climate, pure water, living conditions ideal. Many available factory sites on deep water or inland.

The place for you to locate.

For information and booklet address
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BUREAU
CHAMBER OF COMMERCE
Charleston, S. C.



who opens the front door in response to my tapping might be surprised to know that my income is greater than her husband's. Indeed, most people would be amazed to know what a tremendous factor door-to-door selling has become in our economic scheme. It would be interesting if somebody were to estimate how many millions of dollars worth of goods are moved in this way. If we canvassers all stopped for a month, many factories would have to shut down, and the result would be a far-reaching blow to business conditions that might affect even those housewives who hold us in contempt."

THEN he told me about a hard-boiled friend of his selling electric washing machines, who went to an employment agency and got in touch with several score of women who make a business of going from house to house to do family washing. The salesman made a deal with many of these women that, whenever they struck a house with no washing machine, they should raise a rumpus about the home being so poorly equipped and threaten not to come again. When a sale resulted from this line of attack, the washwoman received a \$10 commission.

A DEPARTMENT store manager tells me that it is almost unheard of for a child to cry in this store while being outfitted for shoes or clothing. The reason is



that the store has a careful selection of sales girls in the children's department. All girls there have a strong mother instinct and know how to handle children.

FIRMS that employ house-to-house canvassers have a heavy labor turnover. One firm, after carefully eliminating undesirables, started a class of fifty through their course of instruction. But in three weeks only four of these were left.

A CHEMIST hit on a formula for a new kind of bluing, I think it was, to use in washing clothes. After experimenting for years he finally got his product on the market and spent \$100,000 in advertising and selling organization. But he lost every cent of his big investment.

Just one trivial little item of human nature wrecked him.

Women would not shake the bottle before using!

Directions plainly printed on each and every bottle set forth the necessity of shaking well if the product were to be effective.

But, nevertheless, housewives just would not shake the bottle.

EDWIN S. STROUT, whose agency sells farms and other real estate all over the United States, tells me of a man who

wished to buy a factory in New Jersey and made an offer to the owners of \$75,000. But because this was on the 13th of the month and the buyer was superstitious, he did not make any down payment to bind the bargain. The next day the owner of the property changed his mind. Now the man who thought the 13th day was unlucky is paying \$16,000 rent on a five-year lease with option to buy for \$100,000. It is indeed unlucky to do business on the 13th, remarks Strout, if a foolish superstition prevents you from snapping up a bargain.

THE BEST olfactory advertising, says a confectioner, is done by means of popcorn. People often stop and buy popcorn just because of the smell, when they aren't



hungry for popcorn or for anything else. The good odor of fresh popcorn simply stirs pleasant memories which makes them take a package home.

THEATRICAL business is affected more than the public realizes by news in the papers.

Anything which depresses people has a tendency to make them seek diversion. Theaters in the United States were exceptionally prosperous during the late war. Even a poor play could usually draw a capacity crowd.

IT HAS often been remarked that moving-picture theaters have attracted the gallery crowds away from the legitimate houses, and that gallery seats are too expensive to compete successfully with the movies. The truth is that gallery seats have often been not expensive enough. In times of extravagance everybody has a horror of appearing as humble as he really is. Hence, thousands of persons, who would have no reasonable objection to occupying gallery seats, have not wished to do so for fear of having it appear that they could not afford any better. One New York theater, some years ago, adopted the plan of charging seventy-five cents for most of the gallery seats and one dollar for the seats in the first two rows. It was noted that the dollar seats were all sold out first, but that there was small demand for the others. The manager then raised the price for all the gallery to one dollar, and the crowd immediately increased.

EXPERIENCED theatrical men know that the ideal time to produce a new play is in November. The chances for its success are considerably better than any other month of the year, better even than in mid-winter, when, presumably, getting indoors out of the snow or winter weather might seem even more desirable. The explanation seems to be that in November the weather has only recently become too cold for people to be driving about, or engaging in outdoor sports, and there comes a big

2³/₄ car-days



ERIE	DETROIT	3
	CHICAGO	3
	CLEVELAND	1
	CINCINNATI	3
	PITTSBURGH	1
	BALTIMORE	4
	PHILADELPHIA	4
	NEW YORK CITY	3
(AVERAGE 2 ³ / ₄ DAYS)		

to nation's big buyers over 4 great railroads

These days of small order buying the manufacturer who offers best delivery has the "edge" on competition.

Erie manufacturers profit by fast, through service to principal distributing centers from the Atlantic to the Mississippi.

Half the nation's hundred-thousand-population cities lie within a 400-mile radius of Erie. That means 39 first class markets within 2³/₄ days freight time of your new or branch plant here—via New York Central, Pennsylvania, Nickel Plate and Bessemer main line service, augmented by far-reaching electric and motor freight facilities.

A rare combination of basic advantages—market, transportation, raw materials, labor and power—

attract industries to Erie. Get the facts in full detail from "5 Great Advantages."

Free Book of Vital Facts

Don't under-rate this book because it is free. Its significant facts and figures are worth careful study by industrial executives everywhere—32 pages of valuable information for every manufacturer. Send the coupon. Or let our Industrial Board furnish a confidential detail survey of Erie's 5 great advantages as related to your immediate problems.

ERIE CHAMBER OF COMMERCE
Erie, Pa.

ERIE

PENNSYLVANIA

City of
5 great advantages



ERIE CHAMBER OF COMMERCE

Erie, Pa.

Please send a copy of your booklet "5 Great Advantages."

Name _____

Firm _____

Address _____

NE 2-1-27

- 1 Rich Overnight Market
- 2 Swift Deliveries to Nation's Big Buyers
- 3 Raw Materials, Parts Easily Available
- 4 Steady, Intelligent, Trained Workers
- 5 Cheap Coal—Good Water



TORO "Park Special" working in Lincoln Park, Los Angeles

THE TORO

The Toro Park Special

is a 30-inch power mower for use on large lawns, city parks, golf courses and cemeteries. Efficient and dependable. Will do the work of 7 men using hand-mowers.

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58 YEARS of seasoned experience in every phase of banking service have qualified this bank to act as "A Thoroughly Satisfactory Banking Home" for financial and business institutions requiring Chicago facilities.

We cordially invite you to utilize the broad experience, conservative counsel and sincerely helpful spirit which are at the service of our 65,000 customers and correspondents.

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reaction in favor of indoor entertainments. Moreover, the town is filled with people, not long back from their summer outings, who gregariously desire to go where they can see other humans and take up those pleasures which are typical of the city rather than of the country.

RAIN has more influence in keeping people away from a theater or other entertainment in a small town than in the larger cities. A person who has been reared in a small town and spent most of his life there pays more heed to rain or other unfavorable weather, even if he is in the city, than a born and bred city person. The



reason is simply a state of mind. Fewer taxicabs are available in a small place, the streets are probably muddy, street cars are infrequent, and, even though the distances are not so great, the people get into the habit of changing their plans whenever a rainstorm seems to make this necessary.

CERTAIN holidays are better than others for theater crowds. By far the greatest demand for theater seats in the entire year is on Washington's Birthday. It comes in mid-winter when there is nothing else to do; moreover, it is not a day of home gatherings or big dinners—simply a day when one is not obliged to go to work. At one time Christmas holiday week was supposed to be a jinx week in the theaters, and many play-houses closed down rather than face the competition of social events which kept the theater crowds otherwise occupied. In part at least this has been overcome, and not only the holiday week but even Christmas and New Year's are good theater days. Next to Washington's Birthday, however, the best holiday is Thanksgiving.

HERE'S still another angle on automobiles. A real estate investor built an apartment house some years ago in a big industrial city. For a time he had no trouble keeping his suites filled, but later he lost tenants because he had no garage space. He built a covey of individual garages in the rear, one for each suite, and for some years had no further trouble. But last week he was compelled to buy a vacant lot a short distance up the street and build a good-sized garage. Most of his tenants are now in the two-car-family class, and they will not stay unless there is a place reasonably near in which to obtain storage and service. It used to be that a man not living in his own home did most of the work on his car himself. But in these instalment days, if he keeps a car for himself and another for his wife or children, he hasn't time to do all the tinkering for both and wants a place within walking distance where an able-bodied man will pester his cars for him.